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OCT 30 2008

MEMORANDUM

Management Services Memo No. 09-029

DATE: OCTOBER 22, 2008

TO: MAYOR AND COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER

FROM: DENNIS STRACHOTA, MANAGEMENT SERVICES DIRECTOR

SUBJECT: Adoption of Resolution No. 4243 providing for additional options for the sale of General Obligation Bonds, Series 2008 in more than one series.

RECOMMENDATION

Staff recommends Council adopt Resolution No. 4243, prepared by the City's bond counsel firm of Gust Rosenfeld, providing for additional options for the sale of General Obligation Bonds, Series 2008.

BACKGROUND

On September 25, 2008, Council adopted Resolution No. 4219, providing for the sale and issuance of not to exceed \$260,000,000 General Obligation Bonds, Series 2008. This resolution will be a supplement and not a replacement of the original resolution.

In consideration of the uncertainty of the municipal bond market, it may be in the best interest of the City to issue bonds in multiple series and at different times. In addition, this resolution authorizes the Management Services Director to sell any series of the Bonds, with the advice of the City's Financial Advisor, through a Accelerated Bidding Process. The consideration of sales would be dependent on the current market conditions and cash flow needs.

FINANCIAL IMPLICATIONS

The City will utilize carry-forward balances for individual bond funds to offset project costs. The additional options afforded through this resolution provide the City more flexibility to respond to current uncertainty in the municipal bond market and manage its borrowing costs.

MS Memo No. 09-029

10/22/2008

Page 2

PROPOSED MOTION

Move for the Adoption of Resolution No. 4243.

Attachment: Resolution No. 4243

RESOLUTION NO. 4243

RESOLUTION SUPPLEMENTING RESOLUTION NO. 4219 ORDERING THE ISSUANCE AND SALE OF NOT TO EXCEED \$260,000,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2008; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; PROVIDING CERTAIN TERMS, COVENANTS AND CONDITIONS CONCERNING THE SALE OF THE BONDS INCLUDING THE DELEGATION OF THE MANAGEMENT SERVICES DIRECTOR THE AUTHORITY TO HAVE THE OPTION TO SELL THE BONDS THROUGH AN ACCELERATED BIDDING PROCESS AND AWARDING THE SALE OF THE BONDS TO THE LOWEST COST BIDDER THE MANAGEMENT SERVICES DIRECTOR DEEMS THEN AVAILABLE; AND RATIFYING ALL ACTIONS TAKEN OR TO BE TAKEN TO FURTHER THIS RESOLUTION.

WHEREAS, due to uncertainty in the municipal bond market the City desires to expand its options regarding the issuance and sale of Bonds as set forth in Resolution No. 4219 passed and adopted on September 25, 2008 (the "Original Resolution"); and

WHEREAS, this resolution will supplement and not replace the Original Resolution; and

WHEREAS, all terms shall have the same meanings as set forth in the Original Resolution; and

WHEREAS, it may be in the best interest of the City to divide the sale of the bonds into more than one separate series; and

WHEREAS, by this resolution the Mayor and Council will authorize the Management Services Director, if it is in the best interest of the City, to sell any series of the Bonds to the bidder offering the lowest cost that the Management Services Director, with the advice of the Financial Advisor, deems then available through an accelerated bidding process as set forth in ARS §35-457(A)(1) (the "Accelerated Bidding Process").

NOW, THEREFORE, IT IS RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AS FOLLOWS:

Section 1. Multiple Series. The Bonds may be issued in one or more series and at different times. In the event the Bonds are sold in one or more series, the Management Services Director will adjust Exhibit C of the Original Resolution to accurately reflect the purposes and projects being financed by that sale.

Section 2. Alternative Sale Process. Notwithstanding the Original Resolution, if the Management Services Director, with the advice of the Financial Advisor, determine it to be in the best interest of the City, the Management Services Director may cause any series of the Bonds to be sold through the Accelerated Bidding Process.

Section 3. Acceptance of Final Bid, Sale of Bonds. If sold pursuant to the Accelerated Bidding Process, the Management Services Director is hereby authorized and directed to

award the sale of the Bonds to the bidder offering the lowest cost the Management Services Director with the advice of the Financial Advisor, deems then available (the "Purchaser").

Section 4. Terms. If sold pursuant to the Accelerated Bidding Process the principal amount maturing in each year, the amount of premium required to be paid by the Purchaser, the optional and mandatory redemption provisions and any other financial terms of the Bonds shall be as set forth in the request for quotations and the Purchaser's pricing quotation or in a purchase agreement entered into between the City and the winning bidder (the "Bond Purchase Agreement"). If sold pursuant to the Accelerated Bidding Process, the Management Services Director is further authorized and directed to prepare and the Mayor or any Council Member is authorized and directed to execute, and the Clerk is authorized and directed to attest, the Bond Purchase Agreement setting forth the final terms and provisions of the Bonds and of the sale of the Bonds to the Purchaser. The Bond Purchase Agreement shall be in a form acceptable to and approved by the Mayor or other Council Member executing it, such execution to be conclusive proof of such approval.

Section 5. Severability. If any section, paragraph, subdivision, sentence, clause or phrase of this resolution or the Original Resolution is for any reason held to be illegal, invalid or unenforceable, such decision will not affect the validity of the remaining portions of this resolution or the Original Resolution. The Mayor and Council hereby declare that the City would have adopted this resolution and the Original Resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this resolution or the Original Resolution may be held illegal, invalid or unenforceable.

Section 6. Ratification of Actions. All actions of the officers and agents of the City which conform to the purposes and intent of the Original Resolution as supplemented by this resolution and which further the issuance and sale of the Bonds as contemplated by the Original Resolution as supplemented by this resolution whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. The proper officers and agents of the City are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this resolution and the Original Resolution.

PASSED AND ADOPTED by the Mayor and Council of the City of Chandler, Arizona, on October 30, 2008.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Bond Counsel

CERTIFICATION

I, Marla Paddock, the duly appointed and acting Clerk of the City of Chandler, Arizona, do hereby certify that the above and foregoing Resolution No. 4243 was duly passed by the City Council of the City of Chandler, Arizona, at a regular meeting held on October 30, 2008, and the vote was ____ aye's and ____ nay's and that the Mayor and ____ Council Members were present thereat.

DATED: October 30, 2008.

City Clerk