CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Special Meeting

June 24, 2004 Conference Room 3 A/B – City Hall
12:30 p.m. Bellevue, Washington

PRESENT: Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson

ABSENT: Mayor Marshall and Councilmembers Degginger and Lee

1. Purchase Contract with Lehman Brothers for Limited Tax General Obligation Bonds

Ordinance No. 5533 of the City of Bellevue, Washington, providing for the issuance and sale of limited tax general obligation bonds of the City in the principal amount of $102,710,000 for the purpose of providing funds to redeem the City's Limited Tax General Obligation Bond Anticipation Note 2002 (Taxable) used to acquire the New City Building, to finance renovation and improvement costs thereto, and to pay interest during renovation and to pay bond issuance costs; providing the date, form, terms and maturities of the bonds; and providing for the annual levy of taxes to pay the principal of and interest on the bonds.

The meeting was called to order at 12:34 p.m. by Deputy Mayor Noble, who presided. He noted previous Council discussion of this item, most recently during the June 21, 2004, Study Session.

Finance Director Jan Hawn described the sale of Limited Tax General Obligation bonds to finance the acquisition and renovation of the New City Building. Nine firms bid on the bond sale. Lehman Brothers was selected with a TIC (true interest cost) of 5.172622 percent, which was better than the anticipated TIC of 5.34 percent. The bonds represent a debt service savings averaging $87,000 per year. Ms. Hawn noted the City maintains its Aaa rating with Moody's and AA+ rating with Standard and Poor with this bond transaction.

Rebecca Chao, financial advisor, commented that four or five bids were anticipated. However, financial institutions perceived this bond purchase as a very secure tax-exempt investment. Stacey Crawshaw-Lewis, bond counsel, noted there are no material changes to the proposed ordinance since Council's discussion on Monday. The bond sale will close on July 8.

- Councilmember Balducci moved to adopt Ordinance No. 5533, and Mr. Chelminiak seconded the motion.

- The motion to adopt Ordinance No. 5533 carried by a vote of 4-0.

Deputy Mayor Noble declared the meeting adjourned at 12:44 p.m.

Myrna L. Basich
City Clerk

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