

April 9, 1991
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Sacramento City Council
Sacramento, California

Honorable Barbara In Session:

SUBJECT: Report Back on the Issuance, Sale and Delivery of 1991 City of Sacramento Refunding Certificates of Participation.

SUMMARY

On April 9, 1991, the City Treasurer and the City's investment banking team negotiated a true interest cost of _____ \$ based on normal financing costs and expenses of \$_____ for \$32.665 million 1991 Refunding Certificates of Participation (Light Rail Transit Project) and negotiated a true interest cost of _____ \$ based on normal financing costs and expenses of \$_____ for \$44.830 million 1991 Refunding Certificates of Participation (1987 Public Facilities Project). Merrill Lynch & Co. negotiated on behalf of the underwriting group which also consisted of Donaldson, Luskia & Associates; Stone & Youngberg; Grigsby, Brandford Powell, Inc.; Smith, Mitchell & Associates; The Knight Group; and WR Lazard, Laidlaw & Reed Inc.

The 1991 Refunding certificates include an original issue discount of \$_____ for the Light Rail Project and \$_____ for the 1987 Public Facilities Project. The certificates were distributed as a marketing strategy.

The interest rates and underwriter's discount negotiated are favorable and comparable to similar transactions in the market.