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CITY OF SACRAMENTO

CITY MANAGER'S OFFICE
RECEIVED
OCT 6 1981

THOMAS P. FRIERY
TREASURER
DONALD E. SPERLING
ASST. TREASURER

OFFICE OF THE TREASURER
800 - 10TH STREET
SUITE 1
SACRAMENTO, CA 95814
TELEPHONE (916) 449-5318

October 6th, 1981

APPROVED
BY THE CITY COUNCIL
OCT -6 1981
OFFICE OF THE
CITY CLERK

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Report on 1981 TRAN Sale, City of Sacramento

SUMMARY

This item is presented to the City Council for authorization of 1981 TRAN Sale and approval of highest competitive bid.

BACKGROUND

The City of Sacramento received five competitive bids for our 1981 TRAN sale. The highest bid of 9.9399% was submitted by Bank of America and resulted in the City receiving a premium of \$4,021.67 over the \$9,500,000 issue amount. Based on this bid, the net interest cost to the City will be \$674,172.77. Factoring in all other financing expenses will raise our cost an additional \$70,000 to \$744,172.77 for a true interest cost of 11.05%.

The other institutions submitting bids were as follows:

--Paine Webber; Dean Witter	10.63779%
--First Interstate Bank	10.085%
--Crocker National Bank	10.0066%
--Security Pacific Bank	10.0066%

Based on the above bid, the Investment Division of the City Treasurer's Office executed an investment strategy which will generate \$1,090,000 in interest income equating to a 16.39% rate of return based on actual dollar days invested.

As a result of the investment program and in consideration of the projected cash flow deficits of \$1.7 million, we project:

- The City of Sacramento will meet its short-term cash deficiencies.
- This will generate approximately \$346,000 net interest income over total bonds and interest expense.


Page Two.
City Council
October 6th, 1981

It should be noted that in the event cash flow deficiencies are greater than currently projected, net interest income could be less.

RECOMMENDATION

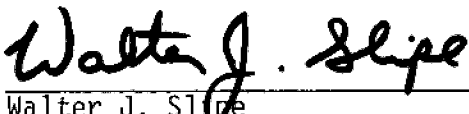
It is recommended that the City Council accept the Bank of America bid for the 1981 TRAN sale.

Respectfully submitted,



THOMAS P. FRIERY
City Treasurer

RECOMMENDATION APPROVED:



Walter J. Slife
City Manager

CITY OF SACRAMENTO

RESOLUTION NO. 81-737

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SACRAMENTO PROVIDING FOR THE SALE OF 1981 TAX
AND REVENUE ANTICIPATION NOTES

WHEREAS, this City Council of the City of
Sacramento (the "City"), by proceedings duly had and taken,
has authorized the issuance of \$9,500,000 principal amount of
City of Sacramento 1981 Tax and Revenue Anticipation Notes
(the "notes") and further duly authorized the sale of the
notes at public sale to the highest bidder therefor; and

WHEREAS, notice of the sale of the notes has been
duly given and the following bids for the notes were and are
the only bids received, to wit:

<u>Name of Bidder</u>	<u>Net Interest Rate</u>
Bank of America National Trust and Savings Association	9.939%
Crocker National Bank	10.007
First Interstate Bank of California	10.009
Paine Webber Jackson & Curtis Incorporated	10.638
Security Pacific National Bank	10.007

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OFFICE OF THE
CITY CLERK

AND WHEREAS, the bid of Bank of America National Trust and Savings Association is the highest bid for the notes, considering the premium offered, if any, or the discount specified, if any;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sacramento as follows:

Section 1. Said bid of Bank of America National Trust and Savings Association for the notes is hereby accepted and the Treasurer of the City is hereby authorized and directed to deliver the notes to said purchaser thereof upon payment to the Treasurer of the City of the purchase price, to wit: The par value thereof, plus a premium of \$4,021.67, together with accrued interest thereon to date of delivery. In accordance with the Official Notice of Sale of the notes, the notes shall be numbered and shall be of the denomination (as designated by said purchaser thereof), as follows:

<u>Note Numbers (inclusive)</u>	<u>Denomination</u>
1 - 100	\$ 5,000
101 - 460	25,000

Section 2. All bids except said accepted bid are hereby rejected and the City Clerk of the City is hereby directed to return to the unsuccessful bidders their several checks accompanying their respective bids.

PASSED AND ADOPTED on the 6th day of October, 1981,
by the following vote:

AYES: Councilmembers

NOES:

ABSENT:

Mayor of the City of Sacramento

[SEAL]

Attest:

City Clerk of the City of Sacramento



October 6, 1981

MUNICIPAL SECURITIES DEPARTMENT

PROPOSAL FOR THE PURCHASE OF
CITY OF SACRAMENTO, CALIFORNIA
1981 TAX AND REVENUE ANTICIPATION NOTES

Honorable City Treasurer of
the City of Sacramento
c/o Offices of Orrick, Herrington,
& Sutcliffe
A Professional Corporation
600 Montgomery Street, Eleventh Floor
San Francisco, California

Dear Mr. Friery:

Pursuant to the Notice Inviting Bids, dated September 23, 1981, we offer to purchase City of Sacramento 1981 Tax and Revenue Anticipation Notes, in the principal amount, in such denominations, maturing and bearing interest, as set forth below and on the second page of this bid hereof:

Principal Amount	Maturity	Interest Rate
<i>mp</i> \$ 4,000,000 <u>9,500,000</u>	June 29, 1982	<u>10.00 %</u>

and to pay therefor the principal amount thereof plus a premium of
\$ 4,021.67 ~~or a discount of \$~~
plus interest accrued on such Notes to the date of delivery thereof.

mp 380
Denominations: ~~160~~ @ \$25,000

Principal Amount	Maturity	Interest Rate
\$ 4,000,000	June 29, 1982	%

~~and to pay therefor the principal amount thereof plus a premium of
\$ _____ or a discount of \$ _____
plus interest accrued on such Notes to the date of delivery thereof.~~

~~Denominations: 160 @ \$25,000~~ *mp*

Principal Amount	Maturity	Interest Rate
\$ 1,500,000	June 29, 1982	%

and to pay therefor the principal amount thereof plus a premium of \$ _____ or a discount of \$ _____ plus interest accrued on such Notes to the date of delivery thereof. *mp*

Denominations: 60 @ \$25,000

This proposal is made subject to all the terms and conditions of the Notice Inviting Bids on said Notes dated September 23, 1981, all of which terms and conditions are made a part hereof as fully as though set forth in full in this proposal.

There is enclosed herewith a cashier's check for \$ 100,000.00 payable to the order of the Treasurer of the City of Sacramento.

We hereby request that 250 printed copies of the Official Statement pertaining to the Notes be furnished us in accordance with the terms of said Notice Inviting Bids. We request delivery of the Notes in San Francisco.

Respectfully submitted,

Address for Return of Unsuccessful Bid Checks:

Bank of America NT & SA
Municipal Securities Dept. #3308
P. O. Box 37003
San Francisco, California 94137

Bank of America NT & SA
 By: *Larry D. Seipelt*
 Larry D. Seipelt, Vice President

Total Net Interest Cost:

\$ 666,256.13

NIC 9.9399 %



SECURITY PACIFIC NATIONAL BANK

HEAD OFFICE, INVESTMENT DEPARTMENT, 333 SO. HOPE ST., LOS ANGELES, CALIFORNIA

MAILING ADDRESS: POST OFFICE BOX 92121, LOS ANGELES, CALIFORNIA 90009

October 6, 1981

City of Sacramento
City Treasurer
Office of Orrick, Herrington & Sutcliffe
600 Montgomery St., Eleventh Floor
San Francisco, CA 94111

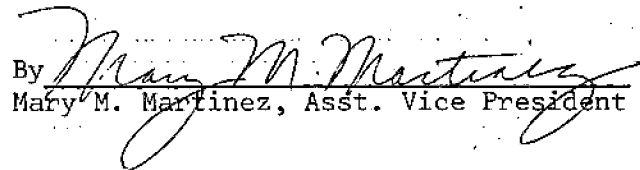
Gentlemen:

For the proposed \$9,500,000 Tax And Revenue Anticipation Notes of the City of Sacramento, consisting of three hundred and eighty notes in the denomination of \$25,000, dated October 15, 1981, maturing June 29, 1982 (Non-Callable) in accordance with the Official Notice of Sale, which Notice of Sale is hereby made a part of this bid, and said Notes to bear interest at the rate of 10.00%, a discount of \$ 4,465⁰⁰, we will pay 99.953 for a total of \$9,495,535⁰⁰. Said Notes will be payable at the office of First Interstate Bank of California in Sacramento or in San Francisco, California. Said Notes to be computed on a 360 day basis.

This bid is for prompt acceptance, subject to your furnishing to us the opinion of Orrick, Herrington & Sutcliffe, San Francisco, approving the validity of said Notes in all respects.

Respectfully submitted,

SECURITY PACIFIC NATIONAL BANK

By 
Mary M. Martinez, Asst. Vice President



CROCKER NATIONAL BANK

MONEY MARKET DIVISION
ONE MONTGOMERY STREET, SAN FRANCISCO, CALIFORNIA 94104

October 6, 1981

City Treasurer of the City of Sacramento
c/o Orrick, Herrington & Sutcliffe
600 Montgomery Street, 11th Floor
San Francisco, California 94111

Gentlemen:

RE: \$9,500,000 CITY OF SACRAMENTO, CALIFORNIA
1981 Tax and Revenue Anticipation Notes

We hereby bid you par ~~plus a premium of \$~~ 99.953 ~~or~~ \$4.465⁰⁰ ~~minus a~~ discount of \$ 99.953 ~~plus interest~~ accrued on such Notes to the date of delivery thereof for the above mentioned issue. Denominations will follow if our bid is successful.

Said notes shall bear interest as follows:

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>
\$9,500,000	10%	June 29, 1982

This bid is contingent on receipt of an unqualified legal opinion by the firm of Orrick, Herrington & Sutcliffe as well as a supplemental reference that the note's exemption from Federal income taxes complies in full with Section 103(d) of the Internal Revenue Code and current proposed regulations promulgated thereto. Interest is to be computed on a 360-day basis and the above notes will not be called prior to maturity.

Very truly yours,

Linda L. Johnson
Assistant Vice President

LLJ/msc



First Interstate Bank
of California
707 Wilshire Boulevard
Los Angeles, CA 90051

City Treasurer of the City of Sacramento
c/o Orrick, Herrington & Sutcliffe
600 Montgomery Street, 11th Fl.
San Francisco, CA 94111

October 6, 1981

Gentlemen:

Re: \$9,500,000 City of Sacramento, California
1981 Tax and Revenue Anticipation Notes
Dated: October 15, 1981 Due: June 29, 1982.

In accordance with your recent request for bids on the above described Notes issued under Section 53850 et. seq. of the State of California Government Code providing the notes and interest thereon are a first lien upon and charge against the taxes, income, revenue, cash receipts or other monies pledged for the payment thereof, we herewith respectfully submit a bid of the par value thereof, ~~plus a premium~~ ^{less a discount} of \$ 5,700.00, such Notes to bear interest at a rate of 10 % per annum. Interest to be computed on a 360-day basis. In addition to the above amount, we will pay accrued interest from the date of the Notes to the date of their delivery.

In the event that we are the successful bidder, we request that the Notes be issued in bearer form in denominations as follows:

1,900 at \$5,000 Tgm
380 at \$25,000 Tgm

This bid is made subject to our receiving at the closing the final unqualified legal opinion from Messrs. Orrick, Herrington, Rowley & Sutcliffe, Attorney, San Francisco, California, approving the validity and tax exempt status of said Notes. It is our understanding that you will provide a complete transcript of proceedings, a no arbitrage statement, and a no litigation certificate.

This bid is also made subject to the Director of Finance certifying the following signoff statement:

I hereby certify that I have reviewed the Annual Budget for the fiscal year July 1, 1981 to June 30, 1982, and made such investigation and inquiries of my staff as I deemed necessary in the circumstances and such documentation is accurate and complete in all material respects for the period covered which have been published by this office.

I further certify that I know of no material adverse change in the conditions of the District as represented in such documents which would make it unreasonable for you to rely on such documents in your consideration and in preparation of such information statements.

Very truly yours

FIRST INTERSTATE BANK OF CALIFORNIA

By Melvin K. Lowe
Melvin K. Lowe, Vice President
First Interstate Bank of California

PAIN
WEBBER
JACKSON
& CURTIS
INCORPORATED

Established 1879 Members New York Stock Exchange, Inc. and other Principal Exchanges
Bank of America Building, Suite 4300, 555 California Street, San Francisco, California 94104
(415) 362-8000
(Blyth Office)

October 6, 1981

Proposal for City of Sacramento
1981 Tax and Revenue Anticipation Notes

Thomas P. Friery
City Treasurer
City of Sacramento, California
c/o Orrick, Herrington & Sutcliffe:
A Professional Corporation
600 Montgomery St., 11th Floor
San Francisco, California 94111

Dear Sir:

With reference to your sale of \$9,500,000 par value City of Sacramento 1981 Tax and Revenue Anticipation Notes dated October 15, 1981, maturing June 29, 1982 and bearing a fixed interest rate of 10% per annum, payable at the maturity of the notes, we bid a dollar price of \$ 99.550 together with accrued interest, if any, to the date of delivery. For informational purposes only, we calculate the net interest rate on our bid to be _____%. Enclosed is a certified check or cashier's check for \$100,000 as required by your terms of sale.

01-12570

Very truly yours,

Paine Webber Jackson & Curtis
Paine Webber Jackson & Curtis
Incorporated

By *Adolf [Signature]*
Corporate Vice President

*in association with
Dean Arthur Reynolds*



CITY OF SACRAMENTO

OFFICE OF THE CITY CLERK

915 I STREET
CITY HALL ROOM 203

SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 449-5428

LORRAINE MAGANA
CITY CLERK

October 9, 1981

Carlo S. Fowler
Orrick, Herrington & Sutcliffe
600 Montgomery Street
San Francisco, CA 94111

Dear Mr. Fowler:

On October 6, 1981, the Sacramento City Council adopted Resolution 81-737 providing for the sale of 1981 Tax and Revenue Anticipation Notes, and accepting the bid of Bank of America National Trust and Savings Association for said notes.

Enclosed, for your records, are three (3) certified copies of Council Resolution 81-737.

Sincerely,

Anne Mason
Assistant City Clerk

MM/AM/mm
Enclosures

cc: Thomas P. Friery, City Treasurer
Jack Crist, Director of Finance
Ted Kobey, Assistant City Attorney