Debt Manual

2013

This Debt Manual is intended as a reference guide and is not an official record with regard to city debt. It is believed to be accurate in all material respects, however any information contained in this report should be verified before being used for official purposes.

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OVERVIEW

This Debt Manual is designed to provide information on the City of Redmond's outstanding debt, authority to issue debt and the policies and procedures that guide the City in the debt issuance process. Included in this Manual are listings of current outstanding debt, the various maturity schedules, policies, and other miscellaneous information to help the reader understand the City's debt position as well as the bond spend-down and continuing disclosure requirements.

The City is permitted to issue the following types of debt subject to approval by Ordinance or Resolution by the City Council:

Limited Tax General Obligation Bonds (LTGO): LTGO debt is backed by the full faith and credit of the City. The bonds can be issued without a vote but are "limited" in that no additional resources are provided to pay debt service on these bonds. The debt service must be paid from existing city resources. They are also limited in the amount and percentage of assessed valuation as defined by the City's debt capacity.

Unlimited Tax General Obligation Bonds (UTGO): UTGO debt is backed by the full faith and credit of the City. This type of bond can only be issued when authorized by a 60% majority vote of registered voters (meeting the minimum voter turnout requirement). The purpose of the vote is to approve an excess tax levy (as a completely new source of revenue) to pay the debt service (i.e. principal and interest payments to bond holders).

Lease Obligation: This type of debt can be in the form of a lease-purchase arrangement or a certificate of participation. With this type of contractual obligation a third party, typically the lessor, issues certificates or bonds where the principal and interest payments to investors are guaranteed by the lease payments made by the City.

Revenue Bonds: Revenue bonds are typically issued to fund improvements to facilities or systems and can be either a voted or non-voted type of debt. The debt is secured solely by the pledge of a specific revenue stream such as utility user fees.

Special Assessment Bond: Also referred to as Local Improvement District (LID) bonds, this type of debt is used to finance capital improvements that benefit taxpayers in a specific area. The cost is borne only by those who will benefit from the improvement.

Other Debt Instruments: Instruments such as Public Works Trust Fund loans or other financing contracts issued through the State of Washington, bond anticipation notes (BAN's), bank qualified loans, and/or other legal debt issues as allowed by law. Additionally, with Council approval, the City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs.

As of January 1, 2013, the City's outstanding debt consists of limited tax general obligation (LTGO) debt issued for transportation and parks projects, unlimited tax general obligation (UTGO) refunding bonds, a lease obligation for the city hall building,

revenue bonds issued for utility system improvements, and State of Washington public works trust fund loans for various transportation projects.

MUNICIPAL DEBT CAPACITY

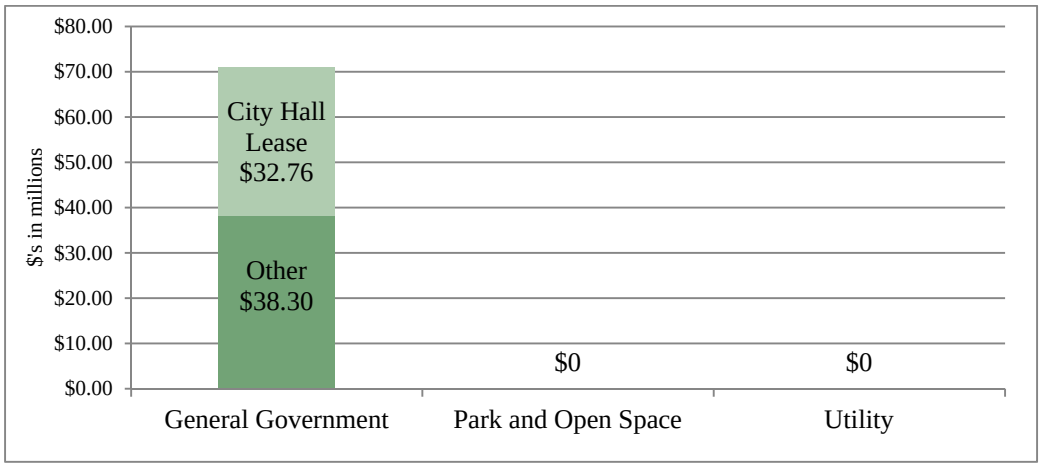
General Obligation Debt Capacity and Outstanding Obligations

According to Washington State law, voters may approve general obligation debt issues of up to 7.5% of the City's assessed valuation. This 7.5% debt capacity is allocated evenly between general government purposes, parks and open space, and utilities, resulting in a 2.5% or $323.5 million limit for each. Within the 2.5% limit, the Council has the authority to issue bonds and/or lease purchase agreements without voter approval for a combined total of up to 1.5% of the City's assessed valuation. All voted bonds require a 60% majority approval. To validate the election, the total votes cast must equal at least 40% of the total votes cast in the last general election.

As of January 1, 2013, the City has $71.1 million of debt outstanding for general government purposes. This is well below the legally allowed general government debt capacity and includes general obligation bonds, State of Washington public works trust fund loans, and lease payments for City Hall. The full capacity of $323.5 million is available for parks and open space as well as utility general obligation debt. The chart below graphically depicts current debt capacity by government purpose. A detailed listing of the City's general obligation bond issues can be found on the next page.

Although the City can legally issue up to 7.5% of its assessed valuation, bond-rating agencies have a lower threshold for an acceptable debt capacity. Bond rating agencies use several criteria for determining the level of debt a city can support. Two common ratios rating agencies refer to are overall net debt per capita and overall net debt as a percent of assessed value (also referred to as market value). Redmond's current net debt per capita is considered low at $1,289 based on a population of 55,150 as is the overall net debt at .55% of assessed value.

General Obligation Debt Capacity
As of January 1, 2013



The following table provides a detailed summary of the $71.1 million in general obligation debt outstanding, which includes one voter approved levy, Council-approved general obligation notes as well as other contractual and lease payments.

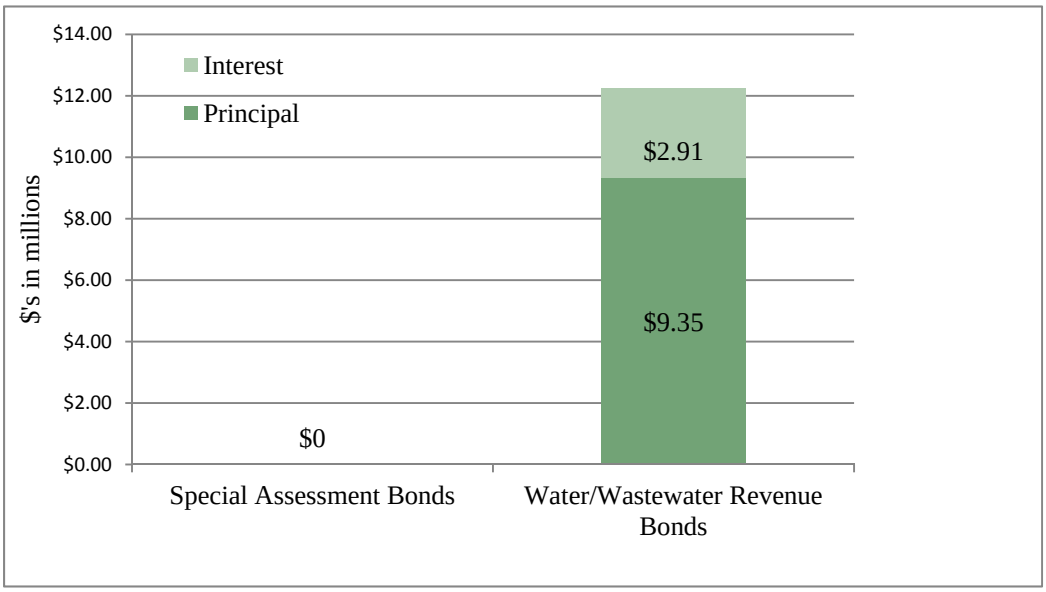
Outstanding Debt
Long-Term Borrowing
(as of January 1, 2013)

Total General Obligation Debt Capacity				**$970,751,196**
	Date of Issue	**Date of Maturity**	**Amount Issued**	**Outstanding Amount**
Limited Tax General Obligations (LTGO)				
2004 Lease Obligation	4/4/2004	12/1/2035	$39,230,000	$32,760,000
2008 LTGO Bonds - Bear Creek/Other Transportation Projects	9/4/2008	12/1/2028	$33,935,000	29,190,000
2011 LTGO Bonds - Downtown Central Park & Other City Parks	3/16/2011	12/1/2021	$8,035,000	6,690,000
LTGO Bond Total			$81,200,000	$68,640,000
Unlimited Tax General Obligations (UTGO)				
2008 UTGO Refunding Bonds	9/4/2008	6/1/2013	$1,315,000	$280,000
Public Works Trust Fund Loans				
148th Avenue NE Rehabilitation	1993	2013	$2,475,510	$130,572
Willows Road to 116th	1995	2015	$1,170,000	215,657
161st Avenue NE Extension	2012	2032	$1,794,564	1,794,564
Public Works Trust Fund Loans Total			$5,440,074	$2,140,793
Total Debt Outstanding			**$87,955,074**	**$71,060,793**
Remaining General Obligation Debt Capacity				**$899,690,403**

Other Long-Term Debt

In addition to general obligation debt, the City utilizes other long-term debt instruments, including special assessment and revenue bonds. While not a direct responsibility of the City, special assessment bonds are used to finance public improvements that benefit a specified group of property owners, and are funded from the collection of special assessment payments. Currently the City has no outstanding assessment bonds. Revenue bonds are primarily used to finance utility capital improvement projects, and are payable from revenues generated by the water and sewer utilities. The following chart summarizes the current revenue debt obligation.

OTHER DEBT SERVICE REQUIREMENTS TO MATURITY
As of January 1, 2013



The Revenue Bonds are budgeted in the Water/Wastewater Operations & Maintenance Fund and were issued for the purpose of upgrading and improving the City's utilities' facilities including the replacement of two wells, extension of the southeast Redmond transmission main, development of a large pressure reducing valve station, and upgrading the Reservoir Park pump station and reservoir. Final payment on these bonds will be in 2023.

In the future, the City expects to issue approximately $20 million in revenue bonds to fund improvements in its surface water system to support the Downtown and Overlake Urban Centers.

POLICY

Governing Law

The City may issue debt as authorized by chapters 35.37, 39.36, 39.46, and 39.53 of the Revised Code of Washington (RCW) and by maintaining compliance with its own policies as noted in the following sections.

Short-Term Debt Policies

a. Short-term debt is defined as a period of three years or less.

b. The City may use short-term debt to cover temporary cash flow shortages, which may be caused by a delay in receipting tax revenues or issuing long-term debt. The City will not use short-term debt for current operations.

c. The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact the fund's current operations. All interfund short-term borrowing will be subject to Council approval and will bear interest based upon prevailing rates.

Long-Term Debt Policies

a. Long Term debt is that debt which exceeds three years.

b. The City will utilize long-term borrowing for capital improvements that cannot reasonably be financed on a pay-as-you-go basis from anticipated cash flows.

c. Acceptable uses of bond proceeds are items which can be capitalized and depreciated. Refunding bond issues designed to restructure currently outstanding debt is also an acceptable use of bond proceeds provided that the net present value (NPV) of savings is at least 4%.

d. The City will determine whether self-supporting bonds (such as special assessment improvement district bonds) are in the City's best interest when planning to incur debt to finance capital improvements.

e. The City will not use long-term debt for current operations.

f. The City will maintain proactive communications with the investment community about its financial condition. The City will follow a policy of full disclosure on financial reports and bond prospectus including proactive compliance with disclosure to the secondary market.

g. General Obligation Bond Policy

1. Every project proposed for financing through general obligation debt shall be accompanied by a full analysis of the future operating and maintenance costs associated with the project.

2. Bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed.

3. Before general obligation bond propositions are placed before the voters, the capital project under consideration should have been included in the Capital Improvement Program. The source of funds should describe the intended use of bond financing.

h. Limited Tax General Obligation Bond Policies

1. As a precondition to the issuance of limited tax general obligation bonds, alternative methods of financing should also be examined.

2. Limited tax general obligation bonds should only be issued under certain conditions:

   - A project requires monies not available from alternative sources;
   - Matching fund monies are available which may be lost if not applied for in a timely manner; or
   - Catastrophic conditions.

i. Financing of Lease Purchases

1. Under Washington State law, the public may vote to approve bond issues for general government purposes in an amount not to exceed 2.5% of assessed valuation. Within the 2.5% limit, the Redmond City Council may approve bond issues and/or lease purchases up to 1.5% of the city's total assessed value. In addition, state law provides for an additional 2.5% of assessed valuation for parks and open space purposes with a vote of the public.

2. Lease purchase financing may be used when the cost of borrowing or other factors make it in the City’s best interest.

j. Long Term Interfund Loans

1. The City may issue interfund loans rather than outside debt instruments as a means of financing capital improvements. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact the fund's anticipated operations. All interfund borrowing will be subject to prior approval by the City Council and will bear interest based upon prevailing rates.

2. The decision to use interfund loans rather than outside debt will be based on which is deemed to be the most cost effective approach to meet city capital needs. Such assessment will be reviewed by the City's Financial Advisor who shall provide an objective analysis and recommendation to the City Council.

OUTSTANDING DEBT

The following table shows all of the City's outstanding debt to maturity as of January 1, 2013. In this schedule, the principal and interest is combined each year to show the total annual debt service amount due for a particular type of debt. A breakdown between the principal and interest, plus a description of each individual debt issue, is included in the pages following this table.

Annual Debt Service Requirements to Maturity

Year	LTGO/UTGO Bonds	WW Revenue Bond	City Hall Lease	PW Trust Fund Loans	Total Annual Payment
2013	3,833,113	1,104,088	2,831,306	302,746	8,071,252
2014	3,544,963	1,106,588	2,828,806	167,314	7,647,670
2015	3,549,938	1,103,588	2,828,306	166,370	7,648,201
2016	3,548,488	1,104,588	2,831,119	93,542	7,577,736
2017	3,547,538	1,102,838	2,830,806	93,317	7,574,498
2018	3,547,138	1,104,438	2,829,556	93,093	7,574,224
2019	3,548,138	1,097,938	2,829,556	92,869	7,568,500
2020	3,547,425	1,111,175	2,830,556	92,644	7,581,800
2021	3,549,438	1,105,000	1,977,306	92,420	6,724,164
2022	2,650,075	1,207,500	1,981,056	92,196	5,930,827
2023	2,650,075	1,102,500	1,981,644	91,971	5,826,190
2024	2,650,325	-	1,978,956	91,747	4,721,028
2025	2,650,575	-	1,979,300	91,523	4,721,398
2026	2,648,825	-	1,980,975	91,298	4,721,098
2027	2,650,725	-	1,980,175	91,074	4,721,974
2028	2,651,250	-	1,981,900	90,850	4,724,000
2029	-	-	1,980,925	90,626	2,071,551
2030	-	-	1,977,250	90,401	2,067,651
2031	-	-	1,978,500	90,177	2,068,677
2032	-	-	1,981,000	89,953	2,070,953
2033	-	-	1,979,500	-	1,979,500
2034	-	-	1,979,000	-	1,979,000
2035	-	-	1,979,250	-	1,979,250
TOTAL	$ 50,768,025	$ 12,250,238	$ 52,336,748	$ 2,196,130	$ 117,551,141

Limited Tax General Obligation Debt (LTGO)

The City has two outstanding LTGO debt issues. One was issued in 2008 to pay for the extension and improvements to Bear Creek Parkway, 161st Avenue NE and other miscellaneous transportation projects included in the Capital Investment Program for 2013-2018. Debt payments are budgeted biannually and paid for from levies of taxes within the constitutional and statutory tax limitations provided by law without a vote of the voters of the City. Redmond has chosen to pay this debt through collections of the City's Business Tax dedicated to transportation and transportation demand management projects.

Issue Amount:	$33,935,000
Issue Date:	September 4, 2008
Ratings:	Standard & Poor's: AAA
	Moody's: Aa2
Principal Pymt Dates:	December 1, 2008-2028
Interest Pymt Dates:	December 1 and June 1, 2008-2028

Year	Principal	Interest	Total
2013	1,290,000	1,358,625	2,648,625
2014	1,335,000	1,313,475	2,648,475
2015	1,385,000	1,266,750	2,651,750
2016	1,455,000	1,197,500	2,652,500
2017	1,525,000	1,124,750	2,649,750
2018	1,585,000	1,063,750	2,648,750
2019	1,650,000	1,000,350	2,650,350
2020	1,730,000	921,438	2,651,438
2021	1,810,000	840,575	2,650,575
2022	1,900,000	750,075	2,650,075
2023	1,995,000	655,075	2,650,075
2024	2,095,000	555,325	2,650,325
2025	2,200,000	450,575	2,650,575
2026	2,300,000	348,825	2,648,825
2027	2,410,000	240,725	2,650,725
2028	2,525,000	126,250	2,651,250
TOTAL	$ 29,190,000	$ 13,214,063	$ 42,404,063

Limited Tax General Obligation Debt (LTGO) (continued)

The second LTGO debt was issued in 2011 to acquire property for a Downtown Central Park and other City parks and open space projects in the Capital Investment Program for 2013-2018. Debt payments are budgeted biannually and paid for from levies of taxes within the constitutional and statutory tax limitations provided by law without a vote of the voters of the City. Repayment of the debt is to come from the Parks Capital Improvement Program.

Issue Amount:	$8,035,000
Issue Date:	March 16, 2011
Ratings:	Standard & Poor's: AAA
Principal Pymt Dates:	December 1, 2011-2021
Interest Pymt Dates:	June 1 and December 1, 2011-2021

Year	Principal	Interest	Total
2013	655,000	244,588	899,588
2014	665,000	231,488	896,488
2015	680,000	218,188	898,188
2016	705,000	190,988	895,988
2017	735,000	162,788	897,788
2018	765,000	133,388	898,388
2019	795,000	102,788	897,788
2020	825,000	70,988	895,988
2021	865,000	33,863	898,863
TOTAL	$ 6,690,000	$ 1,389,067	$ 8,079,067

Unlimited Tax General Obligation Debt (UTGO)

Issued in 2008 to refund the City's outstanding 1994 UTGO bonds which were approved by voters on November 3, 1992 to finance the capital costs for acquiring land for and constructing and equipping a fire station and fire maintenance facility. Debt payments are paid from annual levies of taxes as approved by the voters in 1992.

Issue Amount:	$1,315,000
Issue Date:	September 4, 2008
Ratings:	Standard & Poor's: AAA
	Moody's: Aa1
Principal Pymt Dates:	June 1, 2009 - 2013
Interest Pymt Dates:	December 1 and June 1, 2009-2013

Year	Principal	Interest	Total
2013	280,000	4,900	284,900
TOTAL	$ 280,000	$ 4,900	$ 284,900

Water/Wastewater Revenue Bonds

Issued in 2008 to upgrade and improve the City's water and wastewater utilities' facilities, these bonds support three system projects: replacing two wells, extending the southeast Redmond transmission main, and upgrading the Reservoir Park pump station and reservoir. Annual debt payments are paid from utility user fees.

Issue Amount:	$11,755,000
Issue Date:	December 3, 2008
Ratings:	Standard & Poor's: AAA
Principal Pymt Dates:	December 1, 2009 – 2023
Interest Pymt Dates:	June 1 and December 1, 2009-2023

Year	Principal	Interest	Total
2013	665,000	439,088	1,104,088
2014	700,000	406,588	1,106,588
2015	725,000	378,588	1,103,588
2016	755,000	349,588	1,104,588
2017	790,000	312,838	1,102,838
2018	830,000	274,438	1,104,438
2019	865,000	232,938	1,097,938
2020	915,000	196,175	1,111,175
2021	950,000	155,000	1,105,000
2022	1,100,000	107,500	1,207,500
2023	1,050,000	52,500	1,102,500
TOTAL	$ 9,345,000	$ 2,905,238	$ 12,250,238

General Obligation Lease City Hall

Redmond Community Properties, a non-profit agency, issued lease-revenue bonds on behalf of the City in accordance with the provisions of Revenue Ruling 63-20 of the U.S. Treasury. Funds from the bonds were used to build a City Hall, parking garage, and to provide for other enhancements to the City campus. Monthly lease payments are budgeted biannually and paid for from levies of taxes within the constitutional and statutory tax limitations provided by law without a vote of the voters of the City. Redmond uses general revenues and utility user fees to support the lease.

Issue Amount:	$39,230,000
Issue Date:	April 6, 2004
Ratings:	Standard & Poor's: AAA
	Moody's: Aa2
Lease Pymt Dates:	Monthly through December 1, 2035

Year	Principal	Interest	Total
2013	1,250,000	1,581,306	2,831,306
2014	1,310,000	1,518,806	2,828,806
2015	1,375,000	1,453,306	2,828,306
2016	1,450,000	1,381,119	2,831,119
2017	1,525,000	1,305,806	2,830,806
2018	1,600,000	1,229,556	2,829,556
2019	1,680,000	1,149,556	2,829,556
2020	1,765,000	1,065,556	2,830,556
2021	1,000,000	977,306	1,977,306
2022	1,045,000	936,056	1,981,056
2023	1,090,000	891,644	1,981,644
2024	1,135,000	843,956	1,978,956
2025	1,185,000	794,300	1,979,300
2026	1,240,000	740,975	1,980,975
2027	1,295,000	685,175	1,980,175
2028	1,355,000	626,900	1,981,900
2029	1,415,000	565,925	1,980,925
2030	1,475,000	502,250	1,977,250
2031	1,550,000	428,500	1,978,500
2032	1,630,000	351,000	1,981,000
2033	1,710,000	269,500	1,979,500
2034	1,795,000	184,000	1,979,000
2035	1,885,000	94,250	1,979,250
TOTAL	$ 32,760,000	$ 19,576,748	$ 52,336,748

Local Improvement District Assessments

Special assessment bonds are not a direct responsibility of the City, but are funded from the collection of special assessment payments. The most recent outstanding special assessment bonds, LID 92-WS-56, were created to finance the installation of water and sanitary sewer service on Avondale NE and NE 116th Street. This bond was retired in March 2010. Redmond no longer has any Local Improvement District Assessments.

Public Works Trust Fund Loans

State of Washington Public Works Trust Fund loans have been obtained for various transportation improvement projects as noted below. Loan payments are budgeted biannually and paid for from the City's Transportation Capital Investment Program. Public Works Trust Fund Loans do not require a vote of the people. .

Total Outstanding Loans

Year	Principal	Interest	Total
2013	292,185	10,560	302,746
2014	161,614	5,700	167,314
2015	161,614	4,757	166,370
2016	89,728	3,813	93,542
2017	89,728	3,589	93,317
2018	89,728	3,365	93,093
2019	89,728	3,140	92,869
2020	89,728	2,916	92,644
2021	89,728	2,692	92,420
2022	89,728	2,468	92,196
2023	89,728	2,243	91,971
2024	89,728	2,019	91,747
2025	89,728	1,795	91,523
2026	89,728	1,570	91,298
2027	89,728	1,346	91,074
2028	89,728	1,122	90,850
2029	89,728	897	90,626
2030	89,728	673	90,401
2031	89,728	449	90,177
2032	89,728	224	89,953
TOTAL	$ 2,140,793	$ 55,338	$ 2,196,130

Loan Details

148th Avenue NE Rehabilitation

Total Loan Avail.	$ 2,700,000
Total Draw	$ 2,475,510
Loan Rate	3.00%
Maturity Date	7/1/2011
Loan #	PW-5-93-280-039

Year	Princ Bal	Princ Pymt	Interest
2013	$ 130,572	$ 130,572	$ 3,917

Loan Details continued

Willows Road to 116th

Total Loan Avail.	$	1,170,000
Total Draw	$	1,170,000
Loan Rate		3.00%
Maturity Date		7/1/2015
Loan #		PW-5-95-791-031

Year	Princ Bal	Princ Pymt	Interest
2013	$ 215,656	$ 71,886	$ 2,157
2014	143,770	71,886	1,438
2015	71,885	71,885	719

161st Avenue NE Extension

Total Loan Avail.	$	4,430,000
Total Draw	$	1,794,564
Loan Rate		0.25%
Maturity Date		7/1/2032
Loan #		PC12-951-085

Year	Princ Bal	Princ Pymt	Interest
2013	$ 1,794,564	$ 89,728	$ 4,486
2014	1,704,836	89,728	4,262
2015	1,615,108	89,728	4,038
2016	1,525,380	89,728	3,813
2017	1,435,652	89,728	3,589
2018	1,345,923	89,728	3,365
2019	1,256,195	89,728	3,140
2020	1,166,467	89,728	2,916
2021	1,076,739	89,728	2,692
2022	987,010	89,728	2,468
2023	897,282	89,728	2,243
2024	807,554	89,728	2,019
2025	717,826	89,728	1,795
2026	628,098	89,728	1,570
2027	538,369	89,728	1,346
2028	448,641	89,728	1,122
2029	358,913	89,728	897
2030	269,185	89,728	673
2031	179,456	89,728	449
2032	89,728	89,728	224

COMPLIANCE

Investment of Bond Proceeds

Bond proceeds are invested in an applicable mutual fund or money market account, or mingled with the City's investment portfolio until needed. Bond proceeds, regardless of where held, will be invested considering applicable state and federal statutes and regulations, and the City's Investment Policy.

Bond Proceed Expenditures

The City will track the expenditure of all bond proceeds and any applicable interest earnings on those funds until they are fully expended. The City will comply with the "spend down period", as noted in the applicable Official Statement, for each debt issuance by using one of the following schedules:

Six Month
All gross proceeds (i.e. the bond proceeds less the cost of issuance fees) are spent 6 months from the date of issuance. An additional six month extension will apply if all gross proceeds are expended except for an amount not exceeding the lesser of 5% of the issue price or $100,000.

Eighteen Month
All gross proceeds are spent 18 months from the date of issuance.

Required Percentage Expenditure of Gross Proceeds	Qualifying Date
15%	6 months from Date of Issuance
60%	1 year from Date of Issuance
100%	18 months from Date of Issuance

Two Year
All gross proceeds are spent 2 years from the date of issuance.

Required Percentage Expenditure of Gross Proceeds	Qualifying Date
10%	6 months from Date of Issuance
45%	1 year from Date of Issuance
75%	18 months from Date of Issuance
100	2 years from Date of Issuance

The Finance Department will assist departments with tracking bond proceed expenditures and interest earnings as well as monitoring the timelines within which the money must be spent.

Arbitrage Tracking

Arbitrage is the practice of taking advantage of a price difference between the interest paid by the borrower (i.e. the City) and the interest rate earned on the bond proceeds until fully spent. Cities may only take advantage of arbitrage on its debt proceeds within strict guidelines established by the IRS. Such guidelines provide for the mandatory rebate of any excess arbitrage earnings. The Finance Department will monitor bond proceeds for any arbitrage rebate requirements as necessary. The City will make every effort to spend bond funds within the timeframe required so that rebates are not necessary.

Continuing Disclosure

As required by the Securities and Exchange Commission Rule and agreed to by bond ordinances, the City will meet on-going disclosure requirements by annually filing the audited Comprehensive Annual Financial Report (CAFR) and any material event notices on the Electronic Municipal Market Access [1] (EMMA) website. (www.emma.msrb.org) Updates to the financial information will be provided more frequently if required due to material events or other issues.

The City will also maintain good communication with the investment community regarding the financial health of the organization in the form of an annual letter.

Records Management

Bond transcripts, the Official Statement, and any other legislative documents for outstanding debt will be held in the City Clerk's Vault until the final redemption date plus six years. Other documents pertaining to the outstanding debt such as Trustee statements, IRS correspondence, Federal tax forms, and audited financial statements will be kept as required by retention schedules either in the City Clerk's Vault or within the Finance Department. The City's fiscal agent is also required to maintain debt related records until final redemption of the bonds plus six years.

PROFESSIONAL SERVICES

Financial Advisor

The City may choose to hire a financial advisor to assist with the issuance of debt. Typically a financial advisor is hired early in the process to assist the City with the structure and timing of issuing debt. The financial advisor represents only the City in the process and has a fiduciary responsibility to the City to protect its interests.

[1] EMMA is a comprehensive on-line source of official statements, continuing disclosure documents, market data, and educational material about the municipal securities market. http://www.emma.msrb.org/

Underwriter
The underwriter, also referred to as the investment banker, assists with the structure, pricing, marketing and timing of the debt. On the day of issuance, the underwriter's firm purchases the entire bond issue from the issuer (the City) and resells the bonds to investors.

Bond Counsel
The City uses bond counsel for guidance on the legal aspects of issuing debt. Bond counsel also assists the City with the financing and structuring of debt issues, preparing the formal documents, and issuing an opinion on the bonds as to their tax exempt status.

Fiscal Agent
Bank of New York Mellon serves as the City's fiscal agent to handle the necessary processing services and transactions related to the issued bonds. These services include maintaining records of ownership and making the scheduled principal and interest payments to the bond holders. The State of Washington negotiates the contract for fiscal agent services.

Rating Agencies
Rating agencies such as Standard & Poor's (S&P), Moody's, or Fitch, provide a review of the City's credit strength and the ability to pay debt service. The City must pay a fee to obtain credit ratings on a new debt issue.

CONTACTS

Debt Issuance, Schedules, Arbitrage Tracking, Records and Bond Calls

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425-556-2160

Kelley Wood, Treasury Manager
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425-556-2161

Bond Counsel
Stacey Crawshaw-Lewis
Pacifica Law Group
1191 Second Avenue, Suite 2100
Seattle, WA 98101-2945
206-245-1714

Comprehensive Annual Financial Report and Continuing Disclosure Filings
Sheila Colyer, Accounting Manager
sicolyer@redmond.gov
425-556-2186

Documents – Official Statement and Continuing Disclosure
http://www.emma.msrb.org

Financial Advisor
Fred Eoff
SDM Advisors, Incorporated
430 NW 180th Street
Shoreline, WA 98177
206-577-0579

Contacts continued

Fiscal Agent – (for City use)
The Bank of New York Mellon
Fiscal Agency Unit
101 Barclay Street, 7 W floor
New York, NY 10286
1-800-646-5468
(Direct Dial: 1-212-815-5084, x5085, x5092, x5120)

Fiscal Agent – (for Bondholder use)
The Bank of New York Mellon

(Payments, transfer, and lost securities):
The Bank of New York Mellon
Corporate Trust Operations
PO Box 2320
Dallas, TX 75201
1-800-438-5473

For delivery by overnight courier
The Bank of New York Mellon
Corporate Trust Operations
2001 Bryan Street, 9th Floor
Dallas, TX 75201

Bonds and Coupons can also be redeemed at any Wells Fargo branch in the State of Washington
Wells Fargo N.A., Regional Services Department
Bondholder Relations: 206-343-8429

LID Assessment Billings and Records
Stephanie Woo, Senior Accountant
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Underwriter
Lindsay A. Sovde
Senior Vice President
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