



# **Series 2012 Bond Issuance Review**



## **Presentation to Pittsburgh City Council**

January 31, 2012

# Summary of Bond Issue



**\$114,495,000**

**City of Pittsburgh**

**\$43,200,000 General Obligation Bonds, Series of 2012 A**

**\$71,275,000 General Obligation Bonds, Series of 2012 B**

Sale Date: Monday January 30, 2012

Expected Delivery February 28, 2012

Purpose of Issue : Series 2012A: Current Refunding of Series 2002 Bonds  
Series 2012B: Capital Projects Funding

Arbitrage Yield 3.292%

Insurance: Bonds were sold without Bond Insurance

Call Feature: 2012 Bonds are callable without penalty beginning September 1, 2022

PV Refunding Savings \$4,755,359 (10.236% of \$46,455,000 Refunded 2002 Bonds)

Underlying Ratings (confirmed January 20, 2012) : Moody's: "A1 / Stable"

Fitch: "A / Stable"

S&P: "BBB / Stable"

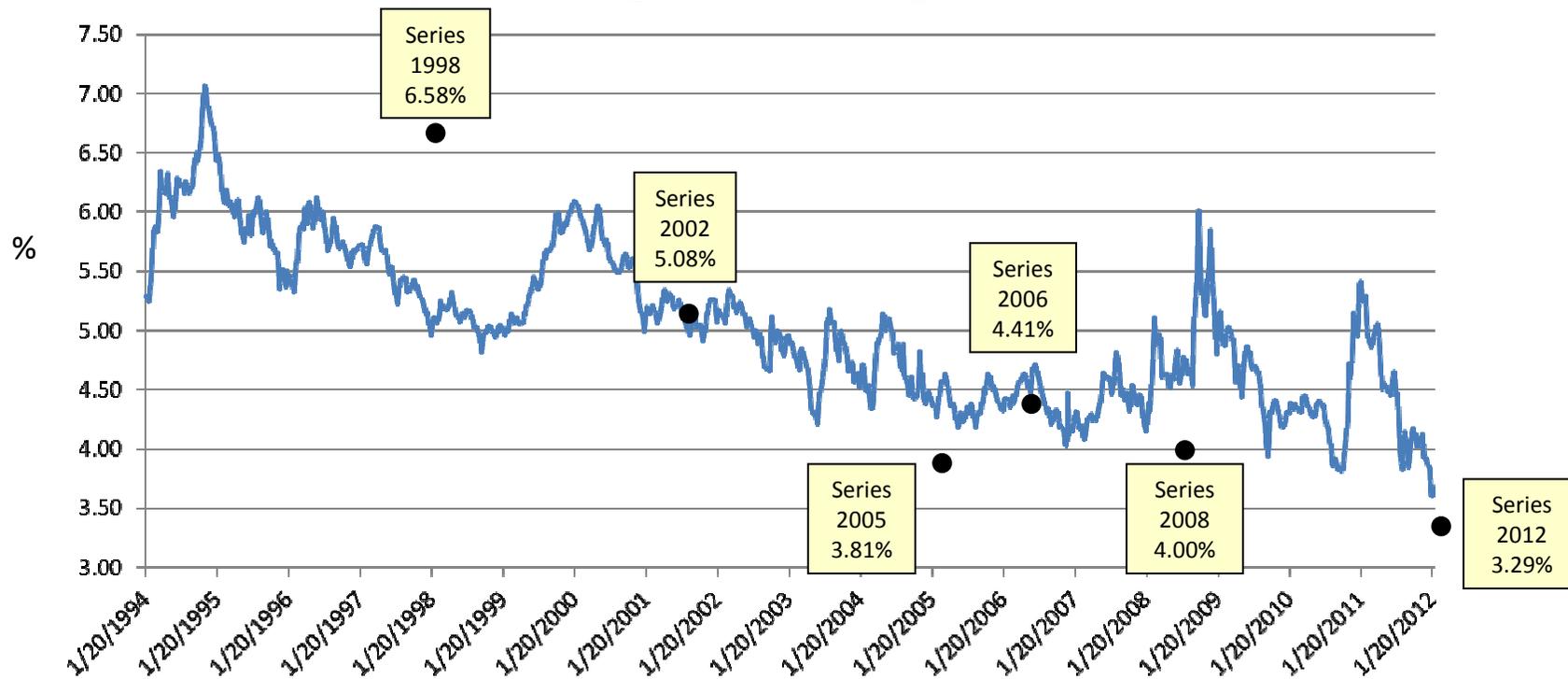
*City Rating Outlooks were improved to "Stable" by Moody's and S&P in their most recent review*

# Market Conditions

## Historic Low Interest Rates

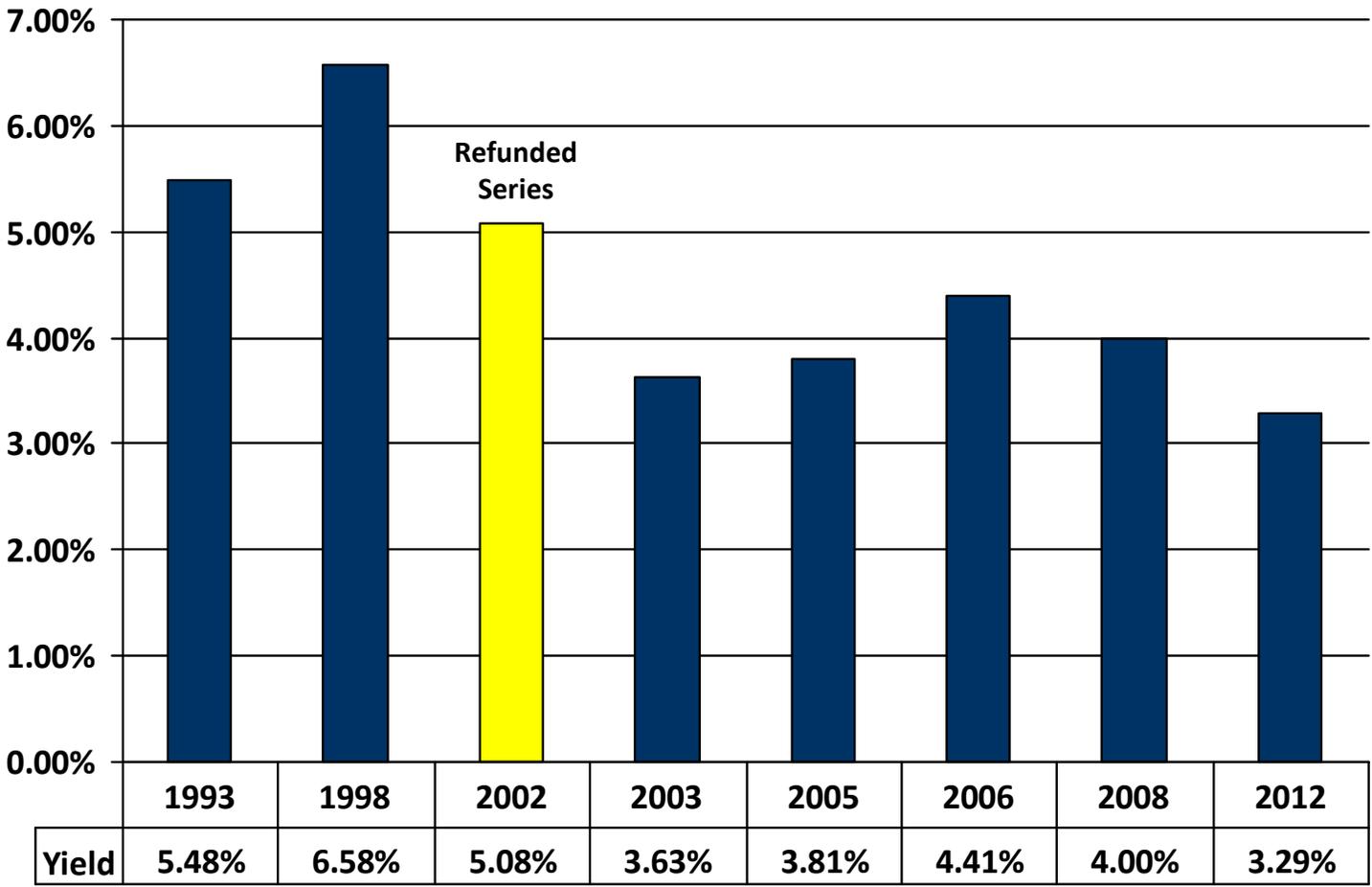


Bond Buyer 20 General Obligation Index\*  
History of Pittsburgh General Obligation Bond Yields



\* Weekly yield determined by the average of 20 Aa2 rated general obligation bonds with a 20-year maturity. Released every Thursday by the Bond Buyer newspaper.

# 2012 Bonds are Pittsburgh's Lowest Interest Rate Debt In Over 20 Years

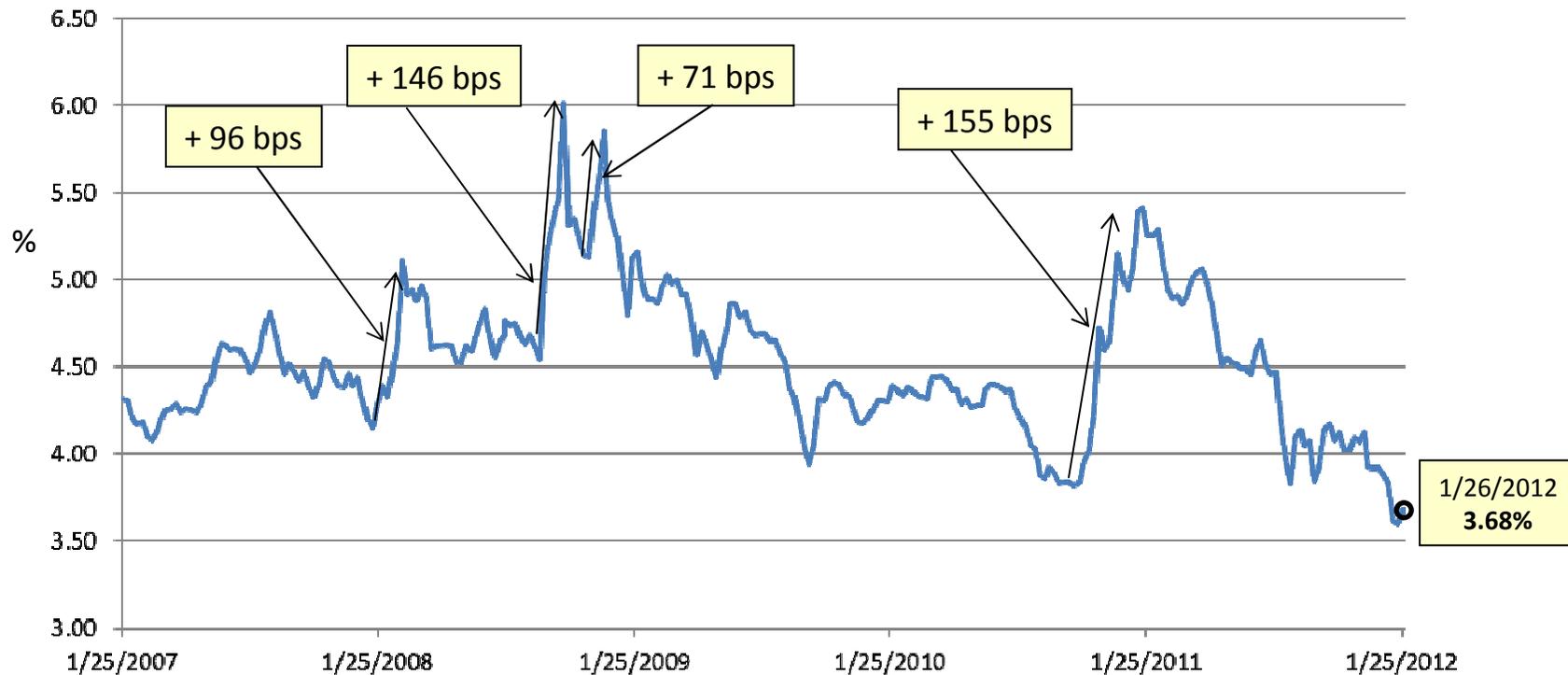


# Market Conditions

## Past Five Years Very Volatile



Bond Buyer 20 General Obligation Index\*



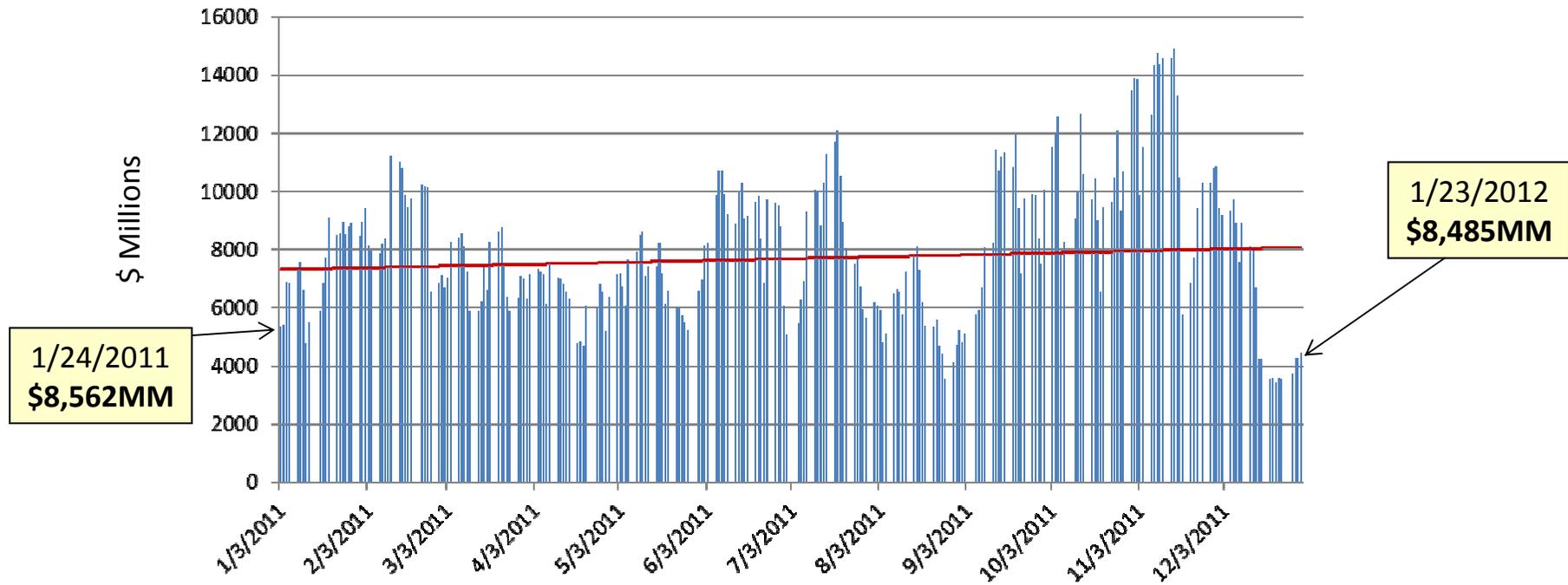
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# Market Conditions

## Bond Market Volume



Bond Buyer 30-Day Visible Supply\*



\* The 30-Day Visible Supply is compiled daily based on the Bond Buyer's sealed bids invited and proposed negotiated offerings sections. It reflects the total dollar volume of bond issues expected within the next thirty days. Notes with maturities of 13 months or longer are included in the 30 day visible supply.

# Consolidated Debt Service



Date	Outstanding Debt Service	Refunded Series 2002	Series 2012A Debt Service	Series 2012B Debt Service	Total Debt Service
2012	87,429,603.75	-7,898,517.50	937,258.01	1,811,572.92	82,279,917.18
2013	87,422,751.25	-7,893,767.50	3,773,786.25	3,563,750.00	86,866,520.00
2014	87,434,077.50	-7,857,467.50	3,860,186.25	3,563,750.00	87,000,546.25
2015	87,427,277.50	-8,861,042.50	4,868,536.25	3,563,750.00	86,998,521.25
2016	87,435,815.00	-8,681,467.50	4,683,536.25	3,563,750.00	87,001,633.75
2017	87,298,952.50	-8,599,792.50	4,725,936.25	3,563,750.00	86,988,846.25
2018	68,697,515.00	-2,149,967.50	1,381,736.25	3,563,750.00	71,493,033.75
2019	30,664,193.75	-1,877,973.75	5,851,630.00	3,563,750.00	38,201,600.00
2020	30,669,235.00	-1,880,205.00	5,847,880.00	3,563,750.00	38,200,660.00
2021	30,671,530.00	-1,883,080.00	5,858,130.00	3,563,750.00	38,210,330.00
2022	28,793,045.00	0.00	5,835,000.00	3,563,750.00	38,191,795.00
2023	28,795,885.00	0.00	5,842,000.00	3,563,750.00	38,201,635.00
2024	28,794,875.00	0.00	5,596,500.00	3,808,750.00	38,200,125.00
2025	0.00	0.00	0.00	38,201,500.00	38,201,500.00
2026	0.00	0.00	0.00	38,199,000.00	38,199,000.00
Total	771,534,756.25	-57,583,281.25	59,062,115.51	121,222,072.92	894,235,663.43

# Sale Results

## Investor Orders



CITY OF PITTSBURGH

City of Pittsburgh, Pennsylvania General Obligation Bonds Series A and B of 2012	
Maturities	Investor Orders
2013	RBC Capital Markets
2014	Retail, Neuberger & Berman Co., Well Fargo Asset Mgmt, Sageworth Trust Co., Nuveen Asset Mgmt, M&I Investment Mgmt, Goldman Sachs Asset Mgmt
2015	Neuberger & Berman Co., Well Fargo Asset Mgmt, Boston Company, M&I Investment Mgmt, Goldman Sachs Asset Mgmt
2016	Neuberger & Berman Co., Well Fargo Asset Mgmt, Boston Company, M&I Investment Mgmt, Goldman Sachs Asset Mgmt
2017	Neuberger & Berman Co, Boston Company, M&I Investment Mgmt, Goldman Sachs Asset Mgmt
2018	Retail
2019	Boston Company
2020	Income Research & Mgmt Inc.
2021	First Tryon Advisors, Dockside Asset Mgmt, Well Fargo Brokerage Svcs LLC, BNY
2022	Well Fargo Asset Mgmt, Tiaa-Cref Investment Mgmt, Fidelity Investments
2023	Tiaa-Cref Investment Mgmt
2024	Tiaa-Cref Investment Mgmt, Nuveen Asset Mgmt, First Tryon Advisors
2025	BNY Capital Markets, Boston Company, First Tryon Advisors, Rochester/Oppenheimer
2026	Federated Investors, Well Fargo Asset Mgmt, Putnam Investment Mgmt LLC, Black Rock, Boston Company, Nuveen Asset Mgmt, American Century, First Tryon Advisors, Eaton Vance, Goldman Sachs Asset Mgmt

# Detailed Listing - Costs of Issuance



City of Pittsburgh, Pennsylvania General Obligation Bonds Series A and B of 2012	
Costs of Issuance	
Bond Counsel (Pepper Hamilton)	\$ 94,000
Underwriters' Counsel (Schnader)	60,000
Financial Advisor (Huntington)	45,000
Paying Agent ( US Bank)	600
Escrow Agent (BNY Mellon)	300
Rating:	
Moody's	57,000
S&P	37,600
Fitch	52,000
Printer (McElwee)	3,500
Electronic Order Entry (Ipreo)	1,875
Contingency	3,500
<b>Total</b>	<b>\$ 354,975</b>
Underwriter's Discount (\$4.50/1,000 bonds of par)	
Underwriting	512,628
CUSIP	500
DTC	600
Misc	1,500
<b>Total</b>	<b>\$ 515,228</b>