



Thursday March 22, 2007

+ Back Print

**Treasury Office**  
**RECOMMENDATION FOR COUNCIL ACTION**

**ITEM No 28**

**Subject** Approve an ordinance authorizing the issuance of City of Austin Texas Water and Wastewater System Revenue Refunding Bonds Series 2007 A and B in the approximate amount of \$220 000 000 and authorizing and approving related documents

**Amount and Source of Funding** There is no debt service requirement in Fiscal Year 2007 The Fiscal Year 2008 debt service requirement will be included in the Fiscal Year 2007 2008 Proposed Budget of the Utility Revenue Bond Redemption Fund

**Fiscal Note** There is no unanticipated fiscal impact A fiscal note is not required

**Additional Backup  
Material**

(click to open)

**D Ordinance**

**For More Information** Art Alfaro Treasurer 974 7882

Due to current favorable conditions in the municipal bond market the City's financial advisor Public Financial Management Inc has advised that a refunding of Combined Utility System Revenue Refunding Bonds Series 1997 and portions of the Water and Wastewater System Revenue Refunding Bonds series 2001 A 2001 B 2003 2004 A and 2005 A may be accomplished at a present value savings exceeding the City's target guideline of 4 25% of the refunded bonds As of March 13 2007 the transaction produced \$9 913 000 in present value savings or 4 56 percent

The Series 1997 Bonds are not subject to optional redemption until November 15 2007 In order to issue the refunding bonds on a tax exempt basis such refunding bonds must be issued and delivered on a date no earlier than 90 days prior to November 15 2007 The Water and Wastewater System Revenue Refunding Bonds series 2001 A 2001 B 2003 2004 A and 2005 A can all be advanced refunded prior to their respective optional redemption dates In order to provide the City with the flexibility to quickly respond to changing market conditions the proposed ordinance delegates the authority to the City Manager or Chief Financial Officer(the Pricing Officer ) to effect the execution of the sale of the refunding bond transaction in accordance with the parameters set forth in the ordinance The parameters set forth in the ordinance stipulate that the Pricing Officer may only execute the sale of the bonds if the City can achieve a present value debt service savings of not less than 4 25% In addition the authority of the Pricing Officer to exercise the authority delegated thereto by the City Council under the ordinance expires on September 22 2007

The transaction will be sold through Goldman Sachs because the firm provided the transaction to the City

Fulbright & Jaworski L L P will serve as bond counsel for this transaction