

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AMENDING ORDINANCE NO. 20070910-003 ADOPTING THE OPERATING BUDGET FOR FISCAL YEAR 2007-2008 BEGINNING ON OCTOBER 1, 2007, AND ENDING ON SEPTEMBER 30, 2008.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1.** The City of Austin Financial Policies are amended at page 18 by adding the following new General Debt Management Policies:

**GENERAL DEBT MANAGEMENT POLICIES**

<b>Policy</b>	<b>Current Status</b>
1. The City shall use several methods of debt issuance, including selling bonds competitively, by negotiated sale, or through private placement. The City may issue bonds by negotiated sale when appropriate, based on prevailing market conditions, size or structure of the planned issuance, or other factors. The City shall use the competitive sale method when issuing general obligation bonds, unless a negotiated sale or private placement would be more advantageous.	In Compliance
2. The City shall use competitive procurement methods to select professional firms used in the bond issuance process.	In Compliance
3. The City's financial advisor must be a firm that is independent of banking, underwriting, or other interests to assure that the selected financial advisor can effectively represent the	In Compliance

## Policy

## Current Status

City in negotiations with bankers, underwriters, and other service providers needed for the issuance of debt.

**PART 2.** The Austin Energy Financial Policies, Policy #8 on page 22 of the City of Austin Financial Policies is amended as follows:

8. Commercial paper may be used to finance [routine] capital improvements required for normal business operation for Electric System additions, extensions, and improvements or improvements to comply with local, state and federal mandates or regulations. However, this shall not apply to new nuclear generation units. In Compliance

Commercial paper will be converted to refunding bonds when dictated by economic and business conditions. Both Tax Exempt and Taxable refunding bonds may be issued in order to comply with the Internal Revenue Service Rules and Regulations applicable to Austin Energy.

Commercial paper may be used to finance voter approved revenue bond projects before the commercial paper is converted to refunding bonds.

**PART 3.** This ordinance takes effect on \_\_\_\_\_, 2008.

**PASSED AND APPROVED**

\_\_\_\_\_, 2008      § \_\_\_\_\_  
§ \_\_\_\_\_  
§ \_\_\_\_\_  
Will Wynn  
Mayor

**APPROVED:** \_\_\_\_\_ **ATTEST:** \_\_\_\_\_  
David Allan Smith      Shirley A. Gentry  
City Attorney      City Clerk