

AGENDA



Thursday, January 31, 2008

**Treasury Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 74**

Subject: Approve an ordinance amending Ordinance No. 20080110-070 to expand the list of prior general obligation bond obligations eligible to be refunded and approving the bond purchase agreement.

For More Information: Art Alfaro, Treasurer 974-7882

Prior Council Action: On January 10, 2008, Council approved Ordinance No. 20080110-070.

On January 10, 2008, the City Council approved Ordinance No. 20080110-070 authorizing delegation of authority to the City Manager or Chief Financial Officer (Pricing Officer) to execute refunding bonds in an amount not to exceed \$175,000,000. This action allows the City maximum flexibility to quickly respond to changing market conditions. It also includes parameters stipulating that the Pricing Officer will only proceed with a refunding transaction if the City can achieve a present value debt service savings of not less than 4.25%. As of January 16, 2008, a refunding transaction would produce \$ 8.7 million in present value savings, or 4.80%.

Based on favorable conditions in the municipal bond market, the City's financial advisor has indicated that in addition to the General Obligation Bond opportunities authorized in Ordinance No. 20080110-070, additional general obligation outstanding bonds should be refunded. This action expands the list of bond series authorized to be refunded by Ordinance No. 20080110-070 and approves the execution of a bond purchase agreement in connection with the refunding of the outstanding bonds.