

AGENDA



Thursday, February 28, 2008

**Discussion and Possible Action on Bond Sales
RECOMMENDATION FOR COUNCIL ACTION****Item No. 78**

Subject: Approve an ordinance authorizing the issuance of City of Austin, Texas, Electric Utility System Revenue Refunding Bonds, Taxable Series 2008, in an amount not to exceed \$50,000,000; authorizing and approving all related documents; and providing for an effective date.

Amount and Source of Funding: There will be no debt service requirement for fiscal year 2007-2008. \$3,496,111 for the first year debt service requirement and \$400 estimated annual administration fee for the paying agent/registrar for the proposed bond sale will be included in the 2008-2009 Proposed Budget of the Utility Revenue Bond Redemption Fund.

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

For More Information: Art Alfaro, Treasurer 974-7882

As stated in the City's Financial Policies, commercial paper may be used to finance capital improvements required for normal business operation for Electric Utility 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 or conventional coal generation units. Commercial paper will be converted to refunding bonds when dictated by economic and business conditions.

The Electric Utility will refund \$50,000,000 of Taxable Commercial Paper. The Taxable Commercial Paper refunding will allow the Electric Utility to take advantage of currently favorable market conditions and free the commercial paper credit line for future borrowing needs.

The transaction will be sold through Bank of America because the firm provided the transaction to the City.

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

This item has been posted for not later than 2:00 p.m., in order for Council action to occur prior to the close of the financial markets.