BELOW LINE LANGUAGE:

Due to current favorable conditions in the municipal bond market, the City's financial advisor, Public Financial Management, Inc., has advised that a synthetic fixed rate refunding of portions of the Combined Utility System Revenue Refunding Bonds, Series 1997, and the Water and Wastewater System Revenue Refunding Bonds, Series 2001A and 2001B, is currently advantageous. The City's financial advisor determined as of February 7, 2008, that a present value savings of 6.31%, exceeding the City's target guideline of 5.25% of the refunded bonds, could be achieved. This would generate $10,256,267 in present value savings.

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If the bonds are refunded, the City will enter into an interest rate management agreement with Goldman Sachs, whereby the City will pay Goldman Sachs a fixed rate and in return Goldman Sachs will pay a variable rate to the City substantially equal to the variable rate on the City's variable rate bonds. This transaction, known as an interest rate swap, is the most efficient method of refunding the outstanding bonds, and provides the greatest level of debt service savings.

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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.