



City of Austin, Texas

78

Late Backup

\$50,000,000

**Electric Utility System Revenue Refunding Bonds,
Taxable Series 2008**



The PFM Group

Public Financial Management Inc
PFM Asset Management LLC
PFM Advisors

**Pricing Report
February 28, 2008**



Electric Utility System Revenue Refunding Bonds, Taxable Series 2008

Refunding Bonds - The Bonds are being issued to refund approximately \$48,800,000 of the City's outstanding Taxable Commercial Paper issued for the Electric Utility System.



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Electric Utility System Revenue Refunding Bonds, Taxable Series 2008

ISSUER

City of Austin, Texas

TYPE OF SALE

Negotiated

BOND COUNSEL

Fulbright & Jaworski L.L.P.

FINANCIAL ADVISOR

The PFM Group

BOND INSURER

Assured Guaranty

LEAD UNDERWRITER

Banc of America, Securities LLC



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Bond Market Update

AP U S TREASURY PRICES ADVANCE AS STOCKS DECLINE Feb 28 2008 11 14

NEW YORK (AP) -- Treasury prices rallied today after new reports showed the economy barely moved forward at the end of last year and that jobless claims rose last week. The Commerce Department said gross domestic product, a gauge of economic growth, rose at an annual rate of 0.6 percent the fourth quarter, weaker than the 0.7 percent projected by Thomson/IFR. The details of the report showed declining employment, incomes and industrial production at the end of 2007. Many economists believe GDP figures for the current quarter will be even weaker, with some analysts projecting no growth. Separately, the Labor Department said the number of people applying for unemployment benefits last week rose by 19,000 to 373,000, marking the highest level since January. "The pop in U.S. jobless claims in the final week of February is troublesome, though it occurred in the week of the Presidents Day holiday, so we will need a few more weeks of data to assess its significance," said Action Economics. The two reports intensified concerns about the extent to which the economy is weakening at a time when the credit markets continue to falter and inflation is on the rise. These worries caused losses for stocks and sent money into the low-risk Treasury market. The benchmark 10-year Treasury note rose 24/32 to 98 with a yield of 3.74 percent, down from 3.85 percent late Wednesday, according to BGCantor Market Data. The 2-year note gained 4/32 to 100.6/32 with a 1.9 percent yield, down from 2 percent late Wednesday. The 30-year long bond rallied 1.28/32 to 97.4/32 with a 4.55 percent yield, down from 4.66 percent the day before. The Treasury Department this afternoon was auctioning \$16 billion in new 5-year notes. A Wednesday auction of \$26 billion in 2-year notes attracted reasonably strong domestic demand, but the participation by foreign central banks appeared weak. Continuing declines for the dollar have exacerbated worries about foreign central banks diversifying away from Treasuries, their traditional reserve asset of choice, for instruments denominated in higher yielding currencies like the euro. Today the euro traded above \$1.51, after breaking above \$1.50 for the first time on Wednesday. Demand for Treasuries also was stoked by continuing problems for other credit assets. Mortgage finance company Freddie Mac reported a hefty \$2.5 billion quarterly loss that exceeded analysts' estimates and the company's year-earlier loss. Freddie Mac cited soaring default rates. *Copyright 2008, The Associated Press. All rights reserved.*

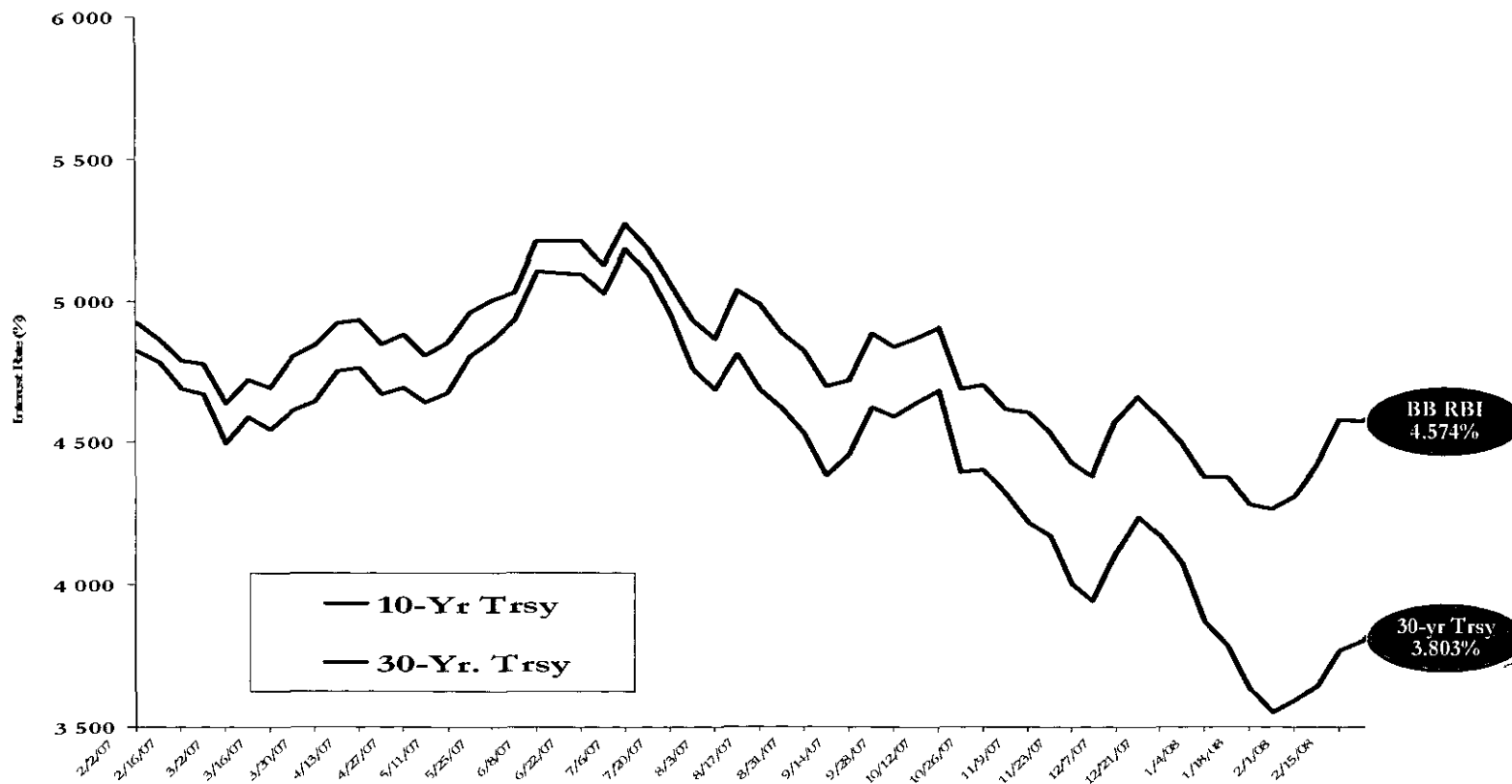


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10-yr Treasury and 30 Year Treasury February 2007 through February 2008



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Municipal Markets Calendar

COMPETITIVE

<u>Week of</u>	<u>Amount</u>	<u>Issuer</u>	<u>State</u>	<u>Issue</u>	<u>Manager</u>
February 25, 2008	\$ 54,475,000	Georgia Muni Elec	GA	T\bl Rev	N/A
	\$ 106,820,000	Georgia Muni Elec	GA	T\bl Rev	N/A
	\$ 33,000,000	Gwinnett Co Dev	GA	T\bl Rev	N/A
	\$ 30,795,000	Rial TO Redev AGCY	CA	T\bl Rev	N/A

NEGOTIATED

<u>Week of</u>	<u>Amount</u>	<u>Issuer</u>	<u>State</u>	<u>Issue</u>	<u>Manager</u>
February 25, 2008	\$ 50,000,000	City of Austin	TX	T\bl Rev	Banc of America
	\$ 47,100,000	Chelan Co PUB	WA	T\bl Rev	Lehman Brothers
	\$ 18,100,000	City of Glendale	CO	T\bl E\ Tax	Stifel Nicolaus
	\$ 20,500,000	City of Frisco	OK	T\bl Comb Tax	Morgan Keegan
	\$ 10,100,000	Kent Co Spl Event	WA	T\bl Rev	Piper Jaffray



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Maturity Schedules

Electric Utility System Revenue Refunding Bonds, Taxable Series 2008

<u>Maturity</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>	<u>Maturity</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
11/15/2009	\$ 1,085,000	3 079%	3 079%	11/15/2021	\$ 1,925,000	6 262%	6 262%
11/15/2010	1,120,000	3 229%	3 229%	11/15/2022	2,050,000	6 262%	6 262%
11/15/2011	1,160,000	3 429%	3 429%	11/15/2023	2,180,000	6 262%	6 262%
11/15/2012	1,205,000	4 004%	4 004%	11/15/2024	2,320,000	6 262%	6 262%
11/15/2013	1,255,000	4 154%	4 154%	11/15/2025	2,470,000	6 262%	6 262%
11/15/2014	1,315,000	5 218%	5 218%	11/15/2026	2,630,000	6 262%	6 262%
11/15/2015	1,385,000	5 218%	5 218%	11/15/2027	2,800,000	6 262%	6 262%
11/15/2016	1,460,000	5 218%	5 218%	11/15/2028	2,985,000	6 262%	6 262%
11/15/2017	1,540,000	5 218%	5 218%	11/15/2029	3,175,000	6 262%	6 262%
11/15/2018	1,620,000	5 200%	5 288%	11/15/2030	3,380,000	6 262%	6 262%
11/15/2019	1,705,000	5 200%	5 288%	11/15/2031	3,600,000	6 262%	6 262%
11/15/2020	1,805,000	6 262%	6 262%	11/15/2032	3,830,000	6 262%	6 262%



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UNDERLYING RATINGS

Fitch

AA-

Moody's
S&P

Aa3
A+

TIC: 6.219%