

AGENDA



Thursday, August 27, 2009

**Discussion and Possible Action on Bond Sales
RECOMMENDATION FOR COUNCIL ACTION****Item No. 72**

Subject: Approve an ordinance authorizing the issuance of \$13,800,000 City of Austin, Texas, Public Property Finance Contractual Obligations, Series 2009, and all related documents.

Amount and Source of Funding: \$1,067,067 in the first year debt service requirement and \$400 estimated annual administration fee for the paying agent/registrar for the proposed contractual obligation sale is included in the 2009-2010 Proposed Operating Budget of the General Obligation Debt Service Fund.

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

For More Information: Art Alfaro, Treasurer 974-7882

Prior Council Action: On July 23, 2009, Council approved the Bond Sale Schedule. On March 5, 2009, Council approved a Reimbursement Resolution related to this bond issuance.

Contractual Obligations will be used to finance the purchase of equipment included in the 2009-2010 proposed budgets for several departments. The financing of equipment complies with the Financial Policies for the use of non-voter approved debt listed in Attachment A. See Attachment B for the schedule of equipment costs and useful life. Annual debt service funding for the Contractual Obligations is to be provided by a combination of property taxes and transfers into the General Obligation Debt Service Fund from issuing departments.

The transaction will be sold through the following underwriting team:

Senior Manager : JP Morgan
Co-Senior Manager: Estrada Hinojosa (MBE)
Co-Manager: Goldman Sachs
Co-Manager: Merrill Lynch
Co-Manager: First Southwest (Regional)
Co-Manager: RBC (Regional)
Co-Manager: Ramirez & Co. (MBE)

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

The entire \$13,800,000 that is being issued is self-supporting debt paid by transfers to the General Obligation Debt Service Fund.