



City of Austin, Texas

\$74,280,000

Public Improvement Bonds, Series 2012A

\$6,640,000

Public Improvement Bonds, Taxable Series 2012B

\$24,645,000

Certificates of Obligation, Series 2012

\$27,135,000

Public Property Finance Contractual Obligations, Series 2012

\$16,735,000

**Mueller Local Government Corporation, Tax Increment Contract Revenue Bonds,
Series 2012**



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Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

**Pricing Report
August 23, 2012**



City of Austin- Use of Proceeds

Public Improvements Bonds - Proceeds from the sale of the Bonds will be used to finance various capital improvements from voted bond programs, and to pay certain costs of issuance of the Bonds.

Certificates of Obligation - Proceeds from the sale of the Certificates will be used to finance various capital improvements and to pay certain costs of issuance of the Certificates.

Public Property Finance Contractual Obligations - Proceeds from the sale of the Contractual Obligations will be used to purchase certain equipment for various City Departments and to pay costs of issuance of the Contractual Obligations.



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Mueller Local Government Corporation- Use of Proceeds

Tax Increment Contract Revenue Bonds- Proceeds from the sale of the Bonds will be used to fund certain public infrastructure improvements within the Mueller TIF and to pay costs of issuance



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City of Austin- Description

ISSUER	City of Austin, Texas	
TYPE OF SALE	Competitive	
BOND COUNSEL	Andrews Kurth LLP	
FINANCIAL ADVISOR	Public Financial Management, Inc.	
UNDERLYING RATINGS:	Fitch:	AAA
	Moody's:	Aaa
	S&P:	AAA



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Mueller Local Government Corporation- Description

ISSUER	Mueller Local Government Corporation
TYPE OF SALE	Negotiated
UNDERWRITER	Stifel, Nicolaus & Company, Inc. and Loop Capital Markets
BOND COUNSEL	McCall, Parkhurst & Horton L.L.P.
FINANCIAL ADVISOR	Public Financial Management, Inc.
UNDERLYING RATINGS:	S&P: AA+



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City of Austin- Rating Agency Highlights

Moody's (Aaa, Stable)

- Growth in the most recent assessed valuations
- Healthy General Fund reserves
- Conservative management and prudent fiscal and debt policies

Standard & Poor's (AAA, Stable)

- Strong and diverse economic base anchored by state government and higher education
- Strong financial management, including maintenance of high reserve levels and policies that limit the use of designated funds, ensuring long-term structural budgetary stability
- Moderate overall debt levels, coupled with rapid debt amortization

Fitch (AAA, Stable)

- Resilient regional economy compared to the rest of the country with relatively low unemployment
- GO debt payout rate is above average



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Bond Market Update

WEDNESDAY'S MARKET: MUNIS FOLLOW TREASURIES HIGHER; BUOYED BY FOMC

Aug 23 2012 6:48

By: Taylor Riggs, The Bond Buyer

NEW YORK - The tax-exempt market ended firmer on Wednesday as primary deals were very well received and a stronger Treasury market buoyed most fixed income markets.

The biggest news to hit the market Wednesday afternoon was the Federal Open Market Committee minutes from the July 31 meeting showing the Fed is considering additional quantitative easing sometime soon.

While some members of the committee said a new purchase program might "boost business and consumer confidence," others "questioned the possible efficacy of such a program under present circumstances, and a couple suggested that the effects on economic activity might be transitory."

Michael Gregory, senior economist at BMO Capital Markets Economics said, "Although the FOMC announced no new actions, we judged at the time that they opened the door wider for more easing moves in subsequent meetings," adding the minutes showed the FOMC will closely monitor incoming information on economic and financial developments and will provide additional accommodation as needed.

"If data releases over the subsequent six weeks continued their theme of ebbing momentum, that's all the additional economic evidence the Fed would require to act," he added. "What's on the ground now is neither sufficiently substantial nor sufficiently sustainable to dissuade the Fed from easing further."

After the minutes were released, Treasuries didn't immediately react. But overall for the day, the benchmark 10-year yield plummeted 11 basis points to 1.70% while the 30-year yield plunged 10 basis points to 2.81%. The two-year yield fell two basis points to 0.28%.



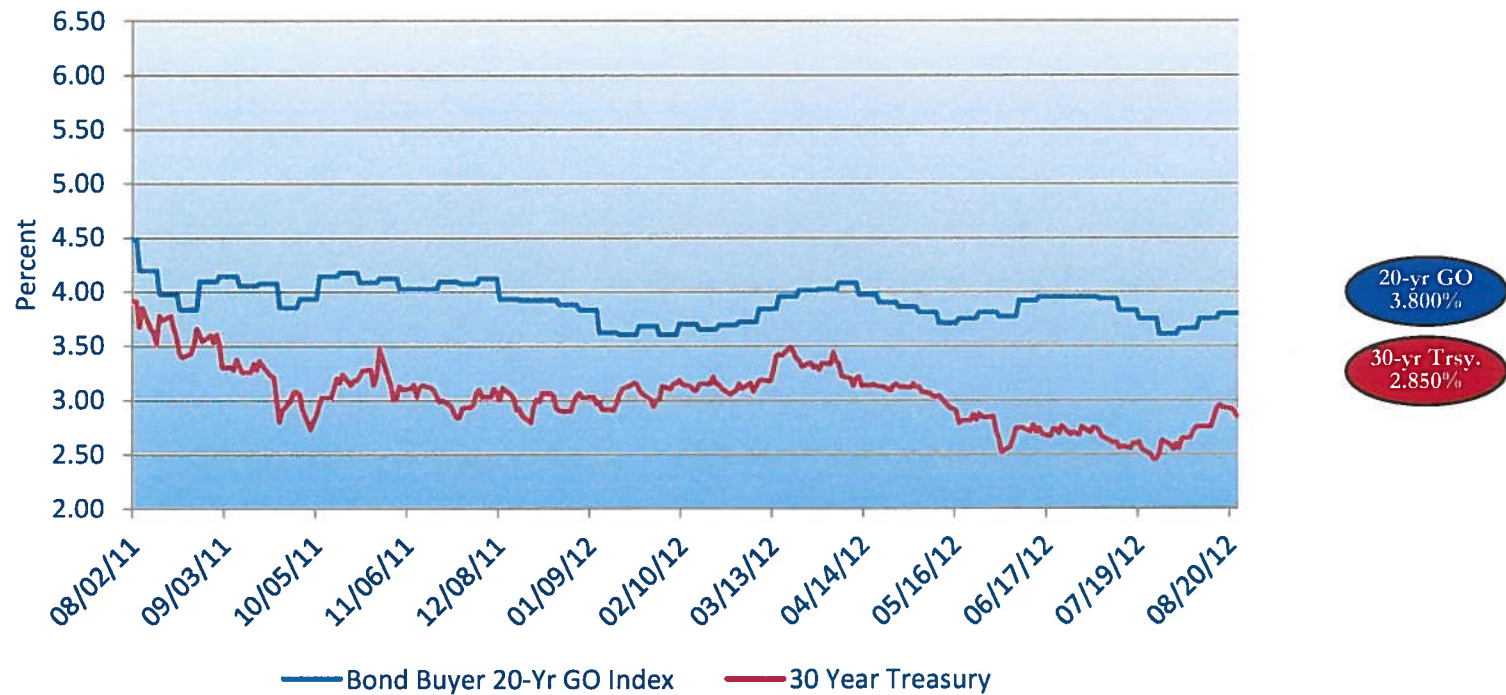
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Bond Buyer 20 Year GO vs. 30 Year Treasury *August 2011 through August 2012*

Bond Buyer 20-Yr GO Index vs. 30-Yr Treasury



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Competitive Bids

Public Improvement Bonds, Series 2012A

Bidder	TIC
Hutchinson, Shockey, Erley & Co.	2.986692%
Jefferies & Company, Inc.	3.006499%
RW Baird & Co.	3.014378%
J.P. Morgan Securities LLC	3.016110%
Morgan Stanley & Co., LLC	3.034469%
Wells Fargo	3.040302%
Piper Jaffray	3.056825%
Citigroup Global Markets Inc.	3.060410%
Bank of America Merrill Lynch	3.073749%
RBC Capital Markets	3.085138%

Public Improvement Bonds, Taxable Series 2012B

Bidder	TIC
RW Baird & Co.	2.947087%
Raymond James & Associates, Inc.	3.075223%
Sterne, Agee & Leach, Inc.	3.237026%
Citigroup Global Markets Inc.	3.277428%
Southwest Securities, Inc.	3.323443%
FirstSouthwest	3.370891%



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Competitive Bids (Cont'd)

Certificates of Obligation, Series 2012

Bidder	TIC
Piper Jaffray	2.764399%
RW Baird & Co.	2.908308%
J.P. Morgan Securities LLC	2.924688%
Jefferies & Company, Inc.	2.926551%
Wells Fargo	2.960007%
Bank of America Merrill Lynch	2.964722%
Hutchinson, Shockey, Erley & Co.	2.971234%
RBC Capital Markets	3.029951%
Morgan Stanley & Co., LLC	3.039213%

Public Property Finance Authority Contractual Obligations, Series 2012

Bidder	TIC
Morgan Stanley & Co., LLC	1.020670%
FirstSouthwest	1.060710%
RBC Capital Markets	1.097759%
Barclays Capital, Inc.	1.098400%
FTN Financial Capital Markets	1.115625%
RW Baird & Co.	1.117700%
Piper Jaffray	1.128736%
Jefferies & Company, Inc.	1.150742%
Southwest Securities, Inc.	1.162507%
J.P. Morgan Securities LLC	1.184150%
Wells Fargo	1.190007%
Hutchinson, Shockey, Erley & Co.	1.214052%



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Maturity Schedules- City of Austin GO

Public Improvement Bonds Tax-Exempt Series 2012A				Public Improvement Bonds Federally Taxable Series 2012B				Certificates of Obligation, Series 2012				PPFCO, Series 2012			
Maturity	Principal	Coupon	Yield	Maturity	Principal	Coupon	Yield	Maturity	Principal	Coupon	Yield	Maturity	Principal	Coupon	Yield
9/1/2013	\$ 3,335,000	3.000%	0.200%	9/1/2013	\$ 880,000	2.000%	0.420%	9/1/2013	\$ 725,000	2.000%	0.200%	5/1/2013	\$ 1,690,000	1.000%	0.200%
9/1/2014	-	-	-	9/1/2014	-	-	-	9/1/2014	630,000	2.000%	0.340%	11/1/2013	1,805,000	2.000%	0.250%
9/1/2015	-	-	-	9/1/2015	250,000	2.000%	0.700%	9/1/2015	915,000	2.000%	0.450%	5/1/2014	1,800,000	2.000%	0.310%
9/1/2016	-	-	-	9/1/2016	245,000	2.000%	0.900%	9/1/2016	930,000	3.000%	0.590%	11/1/2014	1,845,000	3.000%	0.360%
9/1/2017	-	-	-	9/1/2017	235,000	2.000%	1.150%	9/1/2017	960,000	3.000%	0.850%	5/1/2015	1,845,000	3.000%	0.430%
9/1/2018	-	-	-	9/1/2018	230,000	2.000%	1.400%	9/1/2018	985,000	4.000%	1.150%	11/1/2015	1,900,000	4.000%	0.480%
9/1/2019	-	-	-	9/1/2019	225,000	2.000%	1.700%	9/1/2019	1,020,000	4.000%	1.450%	5/1/2016	1,905,000	3.000%	0.590%
9/1/2020	-	-	-	9/1/2020	320,000	2.500%	2.000%	9/1/2020	1,055,000	4.000%	1.710%	11/1/2016	1,975,000	4.000%	0.640%
9/1/2021	-	-	-	9/1/2021	315,000	2.500%	2.200%	9/1/2021	1,095,000	4.000%	1.920%	5/1/2017	1,970,000	3.000%	0.820%
9/1/2022	-	-	-	9/1/2022	305,000	2.500%	2.400%	9/1/2022	1,135,000	4.000%	2.030%	11/1/2017	2,040,000	4.000%	0.870%
9/1/2023	9,175,000	3.000%	2.190%	9/1/2023	350,000	2.550%	2.550%	9/1/2023	1,180,000	4.000%	2.240%	5/1/2018	2,040,000	3.000%	1.120%
9/1/2024	11,210,000	3.000%	2.360%	9/1/2024	355,000	2.700%	2.700%	9/1/2024	1,220,000	4.000%	2.370%	11/1/2018	2,115,000	4.000%	1.170%
9/1/2025	11,205,000	5.000%	2.330%	9/1/2025	365,000	2.850%	2.850%	9/1/2025	1,270,000	4.000%	2.500%	5/1/2019	2,110,000	3.000%	1.400%
9/1/2026	9,445,000	4.000%	2.570%	9/1/2026	380,000	3.000%	3.000%	9/1/2026	1,310,000	3.000%	2.900%	11/1/2019	\$ 2,095,000	4.000%	1.450%
9/1/2027	-	-	-	9/1/2027	-	-	-	9/1/2027	1,345,000	3.000%	2.950%				
9/1/2028	4,895,000	4.000%	2.710%	9/1/2028	410,000	3.200%	3.200%	9/1/2028	1,385,000	3.000%	3.000%				
9/1/2029	5,110,000	3.000%	3.080%	9/1/2029	425,000	3.300%	3.300%	9/1/2029	1,425,000	3.000%	3.050%				
9/1/2030	5,250,000	4.000%	2.830%	9/1/2030	435,000	3.500%	3.500%	9/1/2030	1,455,000	3.000%	3.090%				
9/1/2031	7,935,000	3.000%	3.180%	9/1/2031	450,000	3.500%	3.500%	9/1/2031	1,495,000	3.000%	3.150%				
9/1/2032	\$ 6,720,000	3.100%	3.200%	9/1/2032	\$ 465,000	3.500%	3.500%	9/1/2032	1,535,000	3.000%	3.210%				
								9/1/2033	305,000	3.125%	3.280%				
								9/1/2034	310,000	3.125%	3.350%				
								9/1/2035	315,000	3.250%	3.420%				
								9/1/2036	320,000	3.375%	3.510%				
								9/1/2037	\$ 325,000	3.375%	3.510%				

TIC: 2.986692%

TIC: 2.947087%

TIC: 1.020670%

TIC: 2.764399%



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Maturity Schedule- Mueller

Mueller Local Government Corporation Tax Increment Contract Revenue Bonds, Series 2012			
<u>Maturity</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
9/1/2013 \$	350,000	2.000%	0.400%
9/1/2014	520,000	2.000%	0.570%
9/1/2015	540,000	2.000%	0.720%
9/1/2016	550,000	2.000%	0.900%
9/1/2017	565,000	2.000%	1.150%
9/1/2018	580,000	2.000%	1.480%
9/1/2019	595,000	2.000%	1.800%
9/1/2020	615,000	3.000%	2.100%
9/1/2021	630,000	3.000%	2.350%
9/1/2022	650,000	3.000%	2.500%
9/1/2023	675,000	2.625%	2.750%
9/1/2024	690,000	3.000%	2.900%
9/1/2025	705,000	3.000%	3.100%
9/1/2026	725,000	3.000%	3.170%
9/1/2027	745,000	3.125%	3.240%
9/1/2028	760,000	3.125%	3.300%
9/1/2029	785,000	3.200%	3.370%
9/1/2030	1,955,000	3.250%	3.430%
9/1/2031	2,015,000	3.300%	3.490%
9/1/2032 \$	2,085,000	3.375%	3.550%



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TIC: 3.141812%

SCHEDULE II

AGGREGATE PRINCIPAL AMOUNT, STATED MATURITIES AND INTEREST RATES:

The Obligations shall be issued in the aggregate principal amount of \$74,280,000, maturing on the dates and in the amounts as follows:

<u>September 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$3,335,000	3.000%
****	****	****
2023	9,175,000	3.000
2024	11,210,000	3.000
2025	11,205,000	5.000
2026	9,445,000	4.000
****	****	****
2028	4,895,000	4.000
2029	5,110,000	3.000
2030	5,250,000	4.000
2031	7,935,000	3.000
2032	6,720,000	3.100

PURCHASERS:

Hutchinson, Shockey, Erley & Co., and syndicate members

PURCHASE PRICE:

The Purchase Price for the Obligations shall be par plus a cash premium of \$5,005,513.33, plus accrued interest in the amount of \$243,386.00.

OPTIONAL REDEMPTION:

The Obligations maturing on or after September 1, 2023, are subject to redemption, in whole or in part in any Authorized Denomination, at the option of the City, on September 1, 2022, or on any date thereafter, for the principal amount, without premium, plus accrued interest to the date fixed for redemption.

DISPOSITION OF PROCEEDS:

Proceeds from the sale of the Obligations in the amount of \$78,980,000.00 (representing \$74,280,000.00 of principal and \$4,700,000.00 of premium) shall be used for the purposes described in clause (i) of PART 3, \$305,014.79 of premium shall be used for the purposes described in clause (ii) of PART 3, and \$243,884.54 (representing \$498.54 of premium and \$243,386.00 of accrued interest) shall be deposited to the Interest and Sinking Fund.

SCHEDULE II

AGGREGATE PRINCIPAL AMOUNT, STATED MATURITIES AND INTEREST RATES:

The Obligations shall be issued in the aggregate principal amount of \$6,640,000, maturing on the dates and in the amounts as follows:

<u>September 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>September 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$ 880,000	2.000%	2023	\$ 350,000	2.550%
****	****	****	2024	355,000	2.700
2015	250,000	2.000	2025	365,000	2.850
2016	245,000	2.000	2026	380,000	3.000
2017	235,000	2.000	****	****	****
2018	230,000	2.000	2028	410,000	3.200
2019	225,000	2.000	2029	425,000	3.300
2020	320,000	2.500	****	****	****
2021	315,000	2.500	2032	1,350,000	3.500
2022	305,000	2.500			

PURCHASERS:

Robert W. Baird & Co., Inc., and syndicate members

PURCHASE PRICE:

The Purchase Price for the Obligations shall be par plus a cash premium of \$27,202.52, plus accrued interest in the amount of \$16,454.85.

OPTIONAL REDEMPTION:

The Obligations maturing on or after September 1, 2023, are subject to redemption, in whole or in part in any Authorized Denomination, at the option of the City, on September 1, 2022, or on any date thereafter, for the principal amount, without premium, plus accrued interest to the date fixed for redemption.

MANDATORY SINKING FUND REDEMPTION:

The Obligations maturing on September 1, 2032 (the "Term Obligations"), are subject to mandatory sinking fund redemption beginning on September 1, 2030, in the following years and in the following amounts, at a price equal to the principal amount thereof and accrued and unpaid interest to the date of redemption, without premium:

<u>Year</u>	<u>Principal Amount</u>
2030	\$435,000
2031	450,000
2032*	465,000

* Final Maturity

The principal amount of the Term Obligations required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the City, by the principal amount of the Term Obligations of the same maturity which (i) have been acquired by the City, with funds on deposit in the Interest and Sinking Fund for the Obligations at a price not exceeding the principal amount of such Term Obligations plus accrued interest to the date of purchase and delivered to the Paying Agent/Registrar for cancellation or (ii) have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

DISPOSITION OF PROCEEDS:

Proceeds from the sale of the Obligations in the amount of \$6,650,000.00 (representing \$6,640,000.00 of principal and \$10,000.00 of premium) shall be used for the purposes described in clause (i) of PART 3, \$16,669.28 of premium shall be used for the purposes described in clause (ii) of PART 3, and \$16,988.09 (representing \$16,454.85 of accrued interest and \$533.24 of premium) shall be deposited into the Interest and Sinking Fund.

SCHEDULE II

AGGREGATE PRINCIPAL AMOUNT, STATED MATURITIES AND INTEREST RATES:

The Obligations shall be issued in the aggregate principal amount of \$24,645,000, maturing on the dates and in the amounts as follows:

<u>September 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>September 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$ 725,000	2.000%	2026	\$1,310,000	3.000%
2014	630,000	2.000	2027	1,345,000	3.000
2015	915,000	2.000	2028	1,385,000	3.000
2016	930,000	3.000	2029	1,425,000	3.000
2017	960,000	3.000	2030	1,455,000	3.000
2018	985,000	4.000	2031	1,495,000	3.000
2019	1,020,000	4.000	2032	1,535,000	3.000
2020	1,055,000	4.000	2033	305,000	3.125
2021	1,095,000	4.000	2034	310,000	3.125
2022	1,135,000	4.000	2035	315,000	3.250
2023	1,180,000	4.000	****		
2024	1,220,000	4.000	2037	645,000	3.375
2025	1,270,000	4.000			

PURCHASERS:

Piper Jaffray & Co., and syndicate members

PURCHASE PRICE:

The Purchase Price for the Obligations shall be par plus a cash premium of \$1,353,127.64, plus accrued interest in the amount of \$74,270.63.

OPTIONAL REDEMPTION:

The Obligations maturing on or after September 1, 2023, are subject to redemption, in whole or in part in any Authorized Denomination, at the option of the City, on September 1, 2022, or on any date thereafter, for the principal amount, without premium, plus accrued interest to the date fixed for redemption.

MANDATORY SINKING FUND REDEMPTION:

The Obligations maturing on September 1, 2037 (the "Term Obligations"), are subject to mandatory sinking fund redemption beginning on September 1, 2036, in the following years and in the following amounts, at a price equal to the principal amount thereof and accrued and unpaid interest to the date of redemption, without premium:

<u>Year</u>	<u>Principal Amount</u>
2036	\$320,000
2037*	325,000

* Final Maturity

The principal amount of the Term Obligations required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the City, by the principal amount of the Term Obligations of the same maturity which (i) have been acquired by the City, with funds on deposit in the Interest and Sinking Fund for the Obligations at a price not exceeding the principal amount of such Term Obligations plus accrued interest to the date of purchase and delivered to the Paying Agent/Registrar for cancellation or (ii) have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

DISPOSITION OF PROCEEDS:

Proceeds from the sale of the Obligations in the amount of \$25,890,000.00 (representing \$24,645,000.00 of principal and \$1,245,000.00 of premium) shall be used for the purposes described in clause (i) of PART 3, \$107,670.39 of premium shall be used for the purposes described in clause (ii) of PART 3, and \$74,727.88 (representing \$457.25 of premium and \$74,270.63 of accrued interest) shall be deposited to the Interest and Sinking Fund.

SCHEDULE II

AGGREGATE PRINCIPAL AMOUNT, STATED MATURITIES AND INTEREST RATES:

The Obligations shall be issued in the aggregate principal amount of \$27,135,000, maturing on the dates and in the amounts as follows:

<u>May 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>November 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$1,690,000	1.000%	2013	\$1,805,000	2.000%
2014	1,800,000	2.000	2014	1,845,000	3.000
2015	1,845,000	3.000	2015	1,900,000	4.000
2016	1,905,000	3.000	2016	1,975,000	4.000
2017	1,970,000	3.000	2017	2,040,000	4.000
2018	2,040,000	3.000	2018	2,115,000	4.000
2019	2,110,000	3.000	2019	2,095,000	4.000

PURCHASERS:

Morgan Stanley & Company, Inc., and syndicate members

PURCHASE PRICE:

The Purchase Price for the Obligations shall be par plus a cash premium of \$2,502,283.64, plus accrued interest in the amount of \$77,499.58.

OPTIONAL REDEMPTION:

The Obligations shall not be subject to redemption, at the option of the City, prior to their stated maturity.

MANDATORY SINKING FUND REDEMPTION:

The Obligations shall not be subject to mandatory redemption prior to their stated maturity.

DISPOSITION OF PROCEEDS:

Proceeds from the sale of the Obligations in the amount of \$29,515,000.00 (representing \$27,135,000.00 of principal and \$2,380,000.00 of premium) shall be used for the purposes described in clause (i) of PART 3, \$120,645.53 of premium shall be used for the purposes described in clause (ii) of PART 3, and \$79,137.69 (representing \$1,638.11 of premium and \$77,499.58 of accrued interest) shall be deposited to the Interest and Sinking Fund.