

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	19819	Agenda Number	69.
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Meeting Date:	11/8/2012	Department:	Treasury
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Subject

Approve an ordinance authorizing the issuance of City of Austin Electric Utility System Revenue Refunding Bonds, Taxable Series 2012B, in a par amount not to exceed \$125,000,000 by December 31, 2012 in accordance with the parameters set out in the ordinance, authorizing related documents, and approving related fees.

Amount and Source of Funding

\$3,334,753 in the first year debt service requirement and \$250 estimated annual administration fee for the paying agent/registrant for the proposed bond sale was included in the 2012-13 Approved Operating Budget of the Utility Revenue Bond Redemption Fund.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	N/A
For More Information:	Art Alfaro, Treasurer 974-7882
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

Austin Energy will refund up to \$50,000,000 of taxable commercial paper. In addition, this transaction refunds approximately \$59,205,000 of Parity Electric Utility Obligations in order to restructure debt service. Overall, these refundings will level out debt service, allow Austin Energy to take advantage of currently favorable market conditions, and restore the available capacity under its taxable commercial paper program for future borrowing needs.

In order to provide the City with the flexibility to quickly respond to changing market conditions, the proposed ordinance delegates the authority to the City Manager or Chief Financial Officer (the "Pricing Officer") to complete the sale of the refunding bond transaction in accordance with the parameters in the ordinance. In addition, the authority of the Pricing Officer to exercise the authority delegated by Council under the ordinance expires on December 31, 2012.

The transaction will be sold through the following underwriting team:

Senior Manager: Citi
Co-Managers: BOSC

Barclay/s
Cabrera Capital Markets
Comerica
Edward Jones
Fidelity
MR Beal
RBC
RW Baird
Rice Financial

For this transaction, Fulbright & Jaworski L.L.P. will serve as bond counsel, McCall, Parkhurst & Horton L.L.P. will serve as disclosure counsel, and serving as co-underwriter counsel will be Haynes & Boone LLP and Bracewell & Giuliani LLP.