

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

June 15, 1976
10:30 A.M.

Council Chambers
301 West Second Street

The meeting was called to order with Mayor Friedman presiding.

Roll Call:

Present: Councilmembers Himmelblau, Hofmann, Linn, Trevino,
Mayor Friedman, Mayor Pro Tem Snell

Absent: Councilmember Lebermann

Mayor Friedman announced that this was a Special Called Meeting of the Council for the purpose of opening and receiving bids and passing ordinances authorizing the issuance of \$40,000,000 Electric Light & Power, Waterworks & Sewer System Revenue Bonds and \$15,600,000 in General Obligation Bonds. He stated that the City Council of the City of Austin had advertised that it would receive sealed bids until 10:30 A.M., C.D.T., this day for the City of Austin. He inquired about the assembly of the bids and if all bids had been received and whether there were any others either through the mail, from the members of the Council, the City Clerk, the Finance Administrator, or anyone present in the Council Chamber. He announced that it was 10:30 A.M., and the time for receiving bids was closed.

Mr. Norman Barker, Finance Administrator, then opened and read bids on \$40,000,000 Electric Light & Power, Waterworks & Sewer System Revenue Bonds as per attached sheet. Mr. Barker then opened and read bids on \$15,600,000 in General Obligation Bonds as per the attached sheet.

Mr. Barker pointed out that there was less than one basis point difference in the lowest bid and the next lowest bid, but the dollar amount added up to approximately \$65,000.00. This was on the Revenue Bonds.

The bids were referred to Mr. Barker and Mr. Curtis Adrian, First Southwest Company, for verification.

It was noted that on the Revenue Bonds three bids were received and after verifying them, it was recommended that award of the bid be to Bache, Halsey Stuart, Inc. at an effective interest rate of 6.3054%.

The General Obligation Bonds received six bids and after verifying them, it was recommended that award of the bid be to First National Bank in Dallas at an effective interest rate of 5.4567%.

Councilmember Himmelblau moved that the Council award the bid on the Revenue Bonds to Bache, Halsey Stuart, Inc. at an effective interest rate of 6.0354%. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann, Linn,
Trevino, Mayor Friedman
Noes: None
Absent: Councilmember Lebermann

MINUTES PERTAINING TO PASSAGE AND ADOPTION OF
ORDINANCE AUTHORIZING ISSUANCE OF \$40,000,000
"CITY OF AUSTIN, TEXAS, ELECTRIC LIGHT AND POWER
WATERWORKS AND SEWER SYSTEM REVENUE BONDS,
SERIES NO. 37," DATED JULY 1, 1976

THE STATE OF TEXAS	X
	X
COUNTY OF TRAVIS	X
	X
CITY OF AUSTIN	X

ON THIS, the 15th day of June, 1976, the City Council of the City of Austin, Texas, convened in special session at the Council Chambers, Municipal Annex, the meeting being open to the public and notice of said meeting having been given as prescribed by Article 6252-17, Section 3A, V.A.T.C.S., with the following members present and in attendance, to wit:

JEFFREY M. FRIEDMAN	MAYOR
JIMMY SNELL	MAYOR PRO TEM
MARGRET HOFMANN	COUNCILMEMBER
DR. EMMA LOU LINN	COUNCILMEMBER
JOHN TREVINO	COUNCILMEMBER
BETTY HIMMELBLAU	COUCNILMEMBER

and with the following absent: Lebermann, constituting a quorum; at which time the following among other business was transacted, to with:

The Mayor presented for the City Council's consideration an ordinance authorizing the issuance of \$40,000,000 in revenue bonds, the caption of said ordinance being as follows:

" ORDINANCE NO. 760615-A

"AN ORDINANCE by the City Council of the City of Austin, Texas, authorizing the issuance of \$40,000,000 'CITY OF AUSTIN, TEXAS, ELECTRIC LIGHT AND POWER, WATER-WORKS AND SEWER SYSTEM REVENUE BONDS, SERIES NO. 37,' dated July 1, 1976, for the purpose of extending and improving the City's Electric Light and Power System (being the second parcel or installment of a total voted authorization of \$236,600,000 for Electric Light and Power System purposes); as authorized by the General Laws of the State of Texas, particularly Article 1111 et seq., V.A.T.C.S.; prescribing the form of the bonds and the form of interest coupons; pledging the net revenues of the City's combined Electric Light and Power, Water-works and Sewer System to the payment of the principal of and interest on said bonds; enacting provisions incident and relating to the subject and purpose of this ordinance, and declaring an emergency."

The ordinance was read and Council Member Himmelblau moved that the rule be suspended which requires that no ordinance shall become effective until the expiration of ten days following the date of its final passage, that such ordinance be finally passed and adopted at this meeting, and that, for the reasons recited therein, said ordinance be passed as an emergency measure for the immediate preservation of the public peace, health, and safety of the citizens of Austin as permitted by the City Charter. The motion was seconded by Council Member Trevino and carried by the following vote:

AYES: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Hofmann, Trevino, Himmelblau and Linn

NOES: None

The ordinance was read the second time and Council Member Himmelblau moved that the rules be further suspended and that the ordinance be passed as an emergency measure to its third reading. The motion was seconded by Council Member Trevino and carried by the following vote:

AYES: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Hofmann, Trevino, Himmelblau and Linn

NOES: None

The ordinance was read the third time and Council Member Himmelblau moved that the ordinance be finally passed as an emergency measure. The motion was seconded by Council Member Trevino and carried by the following vote:

AYES: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Hofmann, Trevino, Himmelblau and Linn

NOES: None

The Mayor then announced that the ordinance had been finally passed and adopted.

Councilmember Himmelblau moved that the Council award the bid on the General Obligation Bonds to First National Bank in Dallas at an effective interest rate of 5.4567%. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann, Linn, Trevino, Mayor Friedman

Noes: None

Absent: Councilmember Lebermann

MINUTES PERTAINING TO PASSAGE AND ADOPTION OF
ORDINANCE AUTHORIZING ISSUANCE OF \$15,600,000
"CITY OF AUSTIN, TEXAS, GENERAL OBLIGATION BONDS,
SERIES 256," DATED JULY 1, 1976

THE STATE OF TEXAS	Y
	Y
COUNTY OF TRAVIS	Y
	Y
CITY OF AUSTIN	Y

ON THIS, the 15th day of June, 1976, the City Council of the City of Austin, Texas convened in special session at the Council Chambers, Municipal Annex, the meeting being open to the public and notice of said meeting having been given as prescribed by Article 6252-17, Section 3A, V.A.T.C.S., with the following members present and in attendance, to wit:

JEFFREY M. FRIEDMAN	MAYOR
JIMMY SNELL	MAYOR PRO TEM
MARGRET HOFMANN	COUNCILMEMBER
DR. EMMA LOU LINN	COUNCILMEMBER
JOHN TREVINO	COUNCILMEMBER
BETTY HIMMELBLAU	COUNCILMEMBER

and with the following absent: Councilmember Lebermann, constituting a quorum; at which time the following among other business was transacted, to wit:

The Mayor presented for the City Council's consideration an ordinance authorizing issuance of \$15,600,000 general obligation bonds, the caption of said ordinance being as follows:

"ORDINANCE NO. 760615-B

"AN ORDINANCE by the City Council of the City of Austin, Texas, authorizing the issuance of \$15,600,000 'CITY OF AUSTIN, TEXAS, GENERAL OBLIGATION BONDS, SERIES 256,' dated July 1, 1976, for the purpose of providing funds for

permanent public improvements in and for said City, to wit: \$8,000,000 for constructing, equipping, improving and repairing Hospital buildings, \$2,100,000 to purchase, construct and equip buildings and other permanent improvements for Library purposes and acquiring necessary lands therefor; \$600,000 for constructing, equipping and improving suburban Fire Stations and acquiring necessary lands therefor; \$4,600,000 to purchase or improve, or both, land for park purposes and \$300,000 for constructing and equipping police facilities and public works service centers including the acquisition of sites therefor; prescribing the form of the bonds and the form of the interest coupons; levying a continuing direct annual ad valorem tax on all taxable property within the limits of said City to pay the interest on said bonds and to create a sinking fund for the redemption thereof, and providing for the assessment and collection of such taxes; enacting provisions incident and relating to the purpose and subject of this ordinance, and declaring an emergency."

The ordinance was read and Council Member Himmelblau moved that the rule be suspended which requires that no ordinance shall become effective until the expiration of ten days following the date of its final passage, that such ordinance be finally passed and adopted at this meeting, and that, for the reasons recited therein, said ordinance be passed as an emergency measure for the immediate preservation of the public peace, health, and safety of the citizens of Austin as permitted by the City Charter. The motion was seconded by Council Member Trevino and carried by the following vote:

AYES: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Hofmann, Trevino, Himmelblau and Linn

NOES: None

The ordinance was read the second time and Council Member Himmelblau moved that the rules be further suspended and that the ordinance be passed as an emergency measure to its third reading. The motion was seconded by Council Member Trevino and carried by the following vote:

AYES: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Hofmann, Trevino, Himmelblau and Linn

NOES: None

The ordinance was read the third time and Council Member Himmelblau moved that the ordinance be finally passed as an emergency measure. The motion was seconded by Council Member Trevino and carried by the following vote:

AYES: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Hofmann, Trevino, Himmelblau and Linn

NOES: None

The Mayor then announced that the ordinance had been finally passed and adopted.

Mr. Norman Barker stated that excellent bids were received in both cases, and the City was fortunate and provident that it selected a time when interest rates were improving. He congratulated the Council in accepting these bids as presented.

Mr. Curtis Adrian, First Southwest Company, agreed with Mr. Barker in that the bids received were excellent. At this time, Mr. Adrian then reviewed for the Council the Dow Jones averages for the last three weeks, and he estimated that the General Obligation Bonds sold at \$2,564,000 under Dow Jones average. The Revenue Bonds were calculated to have sold at \$3,816,000 under Dow Jones average. The General Obligation Bonds sold at 137 basis points under the Dow Jones averages, and the Revenue Bonds sold at 52 basis points under Dow Jones averages.

In comparing this sale with the previous sale, Mr. Adrian noted that on January 15, 1976, the Revenue Bonds sold at 72 basis points below Dow Jones averages for \$40,000,000. The General Obligation Bonds, which were sold on November 14, 1974, in the amount of \$21,695,000 sold at 103 basis points under Dow Jones averages. In conclusion, Mr. Adrian again stated that it was a very good sale and congratulated the City of Austin.

City Manager Davidson commented that he was very pleased that a number of good bids were received and that the City received the interest savings that they did. He felt that this indicated that the City of Austin is still a very good credit in the bond market.

Mayor Friedman stated that in all fairness to the administration and to all members of the Council a little joy and praise is in order. He felt that the bids received over the past year have shown a consistent pattern of respect in the market that the City of Austin has gained. He also indicated that the citizens of Austin not only have been saved a considerable amount of money but have been getting their money's worth from the proper sale of the bonds and proper administration of the finances of the City.

ADJOURNMENT

The Council adjourned at 11:30 a.m.

ATTEST:

APPROVED

Grace Monroe
City Clerk

Jeffrey M. Friedman
Mayor