

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

November 9, 1976  
10:30 A. M.

Council Chambers  
301 West Second Street

The meeting was called to order with Mayor Friedman presiding.

Roll Call:

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

Absent: None

Mayor Friedman announced that this was a Special Called Meeting of the Council for the purpose of opening and receiving bids and passing an ordinance authorizing the issuance of \$44,000,000 Electric Light and Power, Waterworks and Sewer System Revenue 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 now 10:30 A.M., and the time for receiving bids was closed.

Mr. Norman Barker, Finance Administrator, then opened and read bids on \$44,000,000 Electric Light and Power, Waterworks and Sewer System Revenue Bonds, as per sheet following the Minutes.

The bids were referred to Mr. Barker and Mr. Curtis Adrian, First Southwest Corporation, for verification. It was noted that two bids were received. He stated that the bids had been verified and recommended award of the bid to Salomon Brothers & Associates at an effective interest rate of 5.8128%.

Mr. Barker stated that he was exceptionally pleased with the bids that had been received. Mr. Adrian commented that he also was pleased with the bids and noted that these bonds sold today at the best interest rate of any Austin bonds since January 20, 1974. In reviewing the Dow Jones averages, Mr. Adrian noted that the bonds sold at 82 basis points under Dow Jones averages.

Councilmember Lebermann moved that the Council award the bid to Salomon Brothers & Associates, at an effective interest rate of 5.8128%. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

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

Noes: None

Abstain: Councilmember Linn

The Mayor presented for the City Council's consideration an ordinance authorizing the issuance of \$44,000,000 in revenue bonds, the caption of said ordinance being as follows:

ORDINANCE NO. 761109-A

AN ORDINANCE by the City Council of the City of Austin, Texas, authorizing the issuance of \$44,000,000 "CITY OF AUSTIN, TEXAS, ELECTRIC LIGHT AND POWER, WATER-WORKS AND SEWER SYSTEM REVENUE BONDS, SERIES NO. 38," dated October 1, 1976, of which the sum of \$28,000,000 is for the purpose of extending and improving the City's Electric Light and Power System (being the third parcel or installment of a total voted authorization of \$236,600,000 for Electric Light and Power System purposes) and the sum of \$16,000,000 is for the purpose of extending and improving the City's Electric Light and Power System (Participation up to 16% in the South Texas Nuclear Project to be constructed in Matagorda County by City of San Antonio, Houston Lighting and Power and Central Power and Light of Corpus Christi)--(being the third parcel or installment of a total voted authorization of \$161,000,000 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 Lebermann 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 Councilmember Snell and carried by the following vote:

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

NOES: None

ABSTAIN: Councilmember Linn

The ordinance was read the second time and Council Member Lebermann 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 Snell and carried by the following vote:

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

NOES: None

ABSTAIN: Councilmember Linn

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

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

NOES: None

ABSTAIN: Councilmember Linn

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

Mayor Friedman pointed out that two trips had been made to New York prior to this sale and the finances of Austin have been discussed both times. He felt as evidenced today by the bids received, the positions of the Council and the administration are being recognized. He noted that this is the best sale in Austin in approximately three years and felt that the financial position of Austin is honest and very strong. Mayor Friedman stated that he had predicted that 6% would be broken and felt that the Council and the administration should be commended.

ADJOURNMENT

The Council adjourned at 11:05 a.m.

ATTEST:

Grace Monroe  
City Clerk

APPROVED

[Signature]  
Mayor

November 9, 1976

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CITY OF AUSTIN, TEXAS  
 TABULATION OF BIDS RECEIVED ON  
 \$44,000,000 ELECTRIC LIGHT AND POWER, WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES  
 NOVEMBER 9, 1976

Name of Bidder	Maturity Dates	Nominal Interest Rate	Gross Interest Cost	Premium Offered	Net Interest Cost	Effective Interest Rate
1. Salomon Brothers & Associates	April 1, 1982 thru April 1, 1990	7.00 %				
	April 1, 1991	5.90				
	April 1, 1992	5.60				
	April 1, 1993	5.70				
	April 1, 1994	5.80				
	April 1, 1995	5.90				
	April 1, 1996 thru April 1, 1998	6.00				
	April 1, 1999 thru April 1, 2001	5.00	\$44,510,500.00	\$1,683.00	\$44,508,817.00	5.8128 %
2. The First Boston Corporation	April 1, 1982	6.90 %				
	April 1, 1983 thru April 1, 1989	7.25				
	April 1, 1990	6.125				
	April 1, 1991	5.50				
	April 1, 1992	5.60				
	April 1, 1993	5.75				
	April 1, 1994	5.80				
	April 1, 1995 thru April 1, 1996	5.90				
	April 1, 1997 thru April 1, 1998	6.00				
	April 1, 1999 thru April 1, 2001	5.25	\$44,671,750.00	\$ 629.00	\$44,671,121.00	5.8340 %