



City of Austin, Texas

\$67,835,000

Public Improvement and Refunding Bonds, Series 2004

\$25,000,000

Certificates of Obligation, Series 2004

\$21,830,000

Public Property Finance Contractual Obligations, Series 2004

\$2,430,000

Public Improvement Refunding Bonds, Taxable Series 2004A



Pricing Report

August 26, 2004

The PFM Group



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Public Improvement and Refunding Bonds – Proceeds from the sale of the Bonds will be used to finance various capital improvements, to finance certain payment obligations relating to the City's liability under a settlement agreement, 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.

Public Improvement Refunding Bonds, Taxable Series – Proceeds from the sale of the Taxable Bonds will be used to finance certain payment obligations relating to the City's liability under a settlement agreement, and to pay certain costs of issuance of the Bonds.



The PFM Group

2000 North Loop West, Suite 1000
Houston, Texas 77010
713.866.1000



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ISSUER

City of Austin, Texas

TYPE OF SALE

Competitive

BOND COUNSEL

McCall, Parkhurst & Horton, L.L.P.

AUDITOR

KPMG LLP/Richard Mendoza, CPA

FINANCIAL ADVISOR

Public Financial Management



The PFM Group

Austin, Texas
Dallas, Texas
Houston, Texas
San Antonio, Texas



Bond Market Update

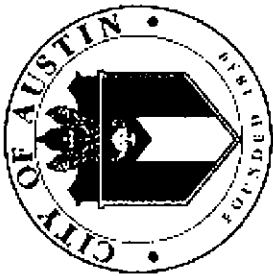
MARKET POST: MUNIS FIRM AT OPEN Aug 26 2004 9:37

By Anastasiya Johnson, The Bond Buyer NEW YORK (Thomson)--The municipal bond market was little changed in early trading, but traders said the market had a better tone given yesterday's gains both in tax-exempts and Treasuries. Participants bumped their offerings this morning and although activity remained light, traders said the bid side was likely to follow up given the scarcity of bonds in the secondary. "We sold some bonds this morning and the problem is finding something else," a trader in New York said. "Looking at the short-end of the market, where everybody wants to buy, there is no supply." Adding to a positive tone, Treasuries resumed a positive movement after a brief foray into negative territory earlier following the release of weekly jobless claims data, which showed that first-time applications for unemployment benefits rose 10,000 to 343,000 in the week ended Aug. 21. Although on the face of it the figure should be supportive of Treasuries, the Labor Department said at least half of the increase was directly attributable to unemployment in the aftermath of Hurricane Charley. "The idea is a number up 10,000 would suggest labor market weakness and greater odds of the third monthly payroll number that is slow, but the reality is we think it's storm related," said Christopher Rupkey, senior financial economist at Bank of Tokyo Mitsubishi. In fact, immediately after the release the Treasury market showed marginal losses and Rupkey said they were more technical in nature. Overall, the market continues to hold in the middle of a narrow trading range established after the July dismal employment report. "There is still a battle between those who think there is still less need for the Fed to move at the September meeting and those that feel it's a done deal," he said. "We have this tug of war going on." In recent trading, the two-year Treasury note was quoted unchanged to yield 2.50%, the 10-year note was quoted up 4/32 to yield 4.25%, and the 30-year bond was quoted up 4/32 to yield 5.04%. In the new issue market, UBS Financial Services is expected to price \$190 million Ohio refunding bonds, while J.P. Morgan Securities is scheduled to price \$181 million Detroit, Mich., general obligation bonds after a retail order period on the tax-exempt series yesterday. After being postponed two weeks ago for technical reasons, Charleston County, S.C., School District is expected to sell \$140 million installment-purchase revenue bonds. Bank of America Securities is the book-runner on the deal, which was originally scheduled to come to market in the week of Aug. 9. In the competitive sector, Kansas City is set to sell \$96 million general obligation bonds at 10:30 a.m., FIDELITY.

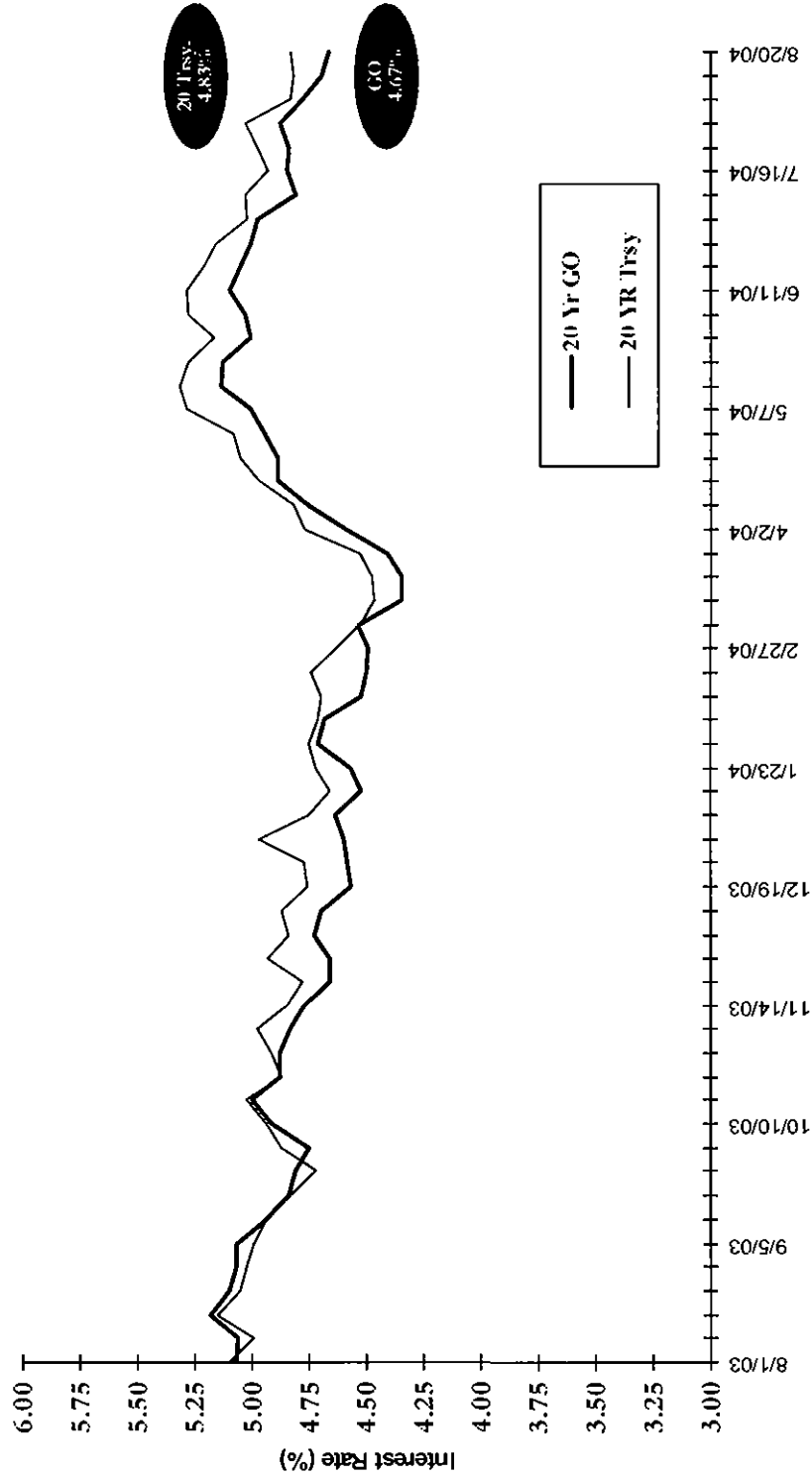


The PFM Group

10000 North Central Expressway, Suite 200
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20 GO Bond Index vs. 20 Year Treasury August 2003 through August 2004



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2003-2004 Bond Issuance
100% of the Bond Issuance
was sold to the PFM Group



Maturity Schedules

Public Improvement & Refunding Bonds Series 2004 \$67,835,000 TIC: 4.278112%

Maturity Date	Par Amount
9/1/2007	\$ 2,565,000
9/1/2008	2,645,000
9/1/2009	2,740,000
9/1/2010	2,845,000
9/1/2011	2,960,000
9/1/2012	3,080,000
9/1/2013	3,220,000
9/1/2014	3,365,000
9/1/2015	3,520,000
9/1/2016	3,690,000
9/1/2017	3,875,000
9/1/2018	4,070,000
9/1/2019	4,275,000
9/1/2020	4,495,000
9/1/2021	4,730,000
9/1/2022	4,980,000
9/1/2023	5,245,000
9/1/2024	5,535,000

Certificates of Obligation Series 2004 \$25,000,000 TIC: 4.282748%

Maturity Date	Par Amount
9/1/2005	\$ 775,000
9/1/2006	815,000
9/1/2007	850,000
9/1/2008	890,000
9/1/2009	935,000
9/1/2010	980,000
9/1/2011	1,025,000
9/1/2012	1,075,000
9/1/2013	1,125,000
9/1/2014	1,180,000
9/1/2015	1,235,000
9/1/2016	1,295,000
9/1/2017	1,355,000
9/1/2018	1,420,000
9/1/2019	1,485,000
9/1/2020	1,555,000
9/1/2021	1,630,000
9/1/2022	1,710,000
9/1/2023	1,790,000
9/1/2024	1,875,000

Public Property Finance Contractual Obligations, Series 2004 \$21,830,000 TIC: 2.859431%

Maturity Date	Par Amount
5/1/2005	\$ 1,010,000
5/1/2006	1,410,000
5/1/2007	1,475,000
5/1/2008	1,545,000
5/1/2009	1,620,000
5/1/2010	1,700,000
5/1/2011	1,780,000

Public Improvement Refunding Bonds, Taxable Series 2004A \$2,430,000 TIC: 4.467439%

Maturity Date	Par Amount
9/1/2006	\$ 200,000
9/1/2007	210,000
9/1/2008	225,000
9/1/2009	235,000
9/1/2010	245,000
9/1/2011	260,000
9/1/2012	270,000
9/1/2013	285,000
9/1/2014	500,000

Ratings:

Moody's – Aa2
Standard & Poor's – AA+
Fitch Inc. – AA+





Municipal Markets Calendar

COMPETITIVE

Sale Date	Amount	Issuer	State	Issue	Manager
August 26, 2004	\$ 67,835,000	City of Austin	TX	GO	N/A
August 26, 2004	\$ 25,000,000	City of Austin	TX	C/O	N/A
August 26, 2004	\$ 21,830,000	City of Austin	TX	PPFC	N/A
August 26, 2004	\$ 2,430,000	City of Austin	TX	Tax	N/A
August 26, 2004	\$ 95,700,000	Kansas City	MO	GO	N/A
August 26, 2004	\$ 63,665,000	N Texas Mun Wtr Dt	TX	Rev	N/A
August 26, 2004	\$ 11,500,000	Quakertown Comm SD	PA	GO	N/A
August 26, 2004	\$ 8,000,000	Gadsden ISD #16	NM	GO	N/A
August 26, 2004	\$ 2,045,000	Angleton-Danbury Hosp Dt	TX	PPFC	N/A

NEGOTIATED

Sale Date	Amount	Issuer	State	Issue	Manager
August 26, 2004	\$ 287,000,000	Fulton County	GA	Rev	
August 26, 2004	\$ 190,000,000	Ohio	OH	Rev	
August 26, 2004	\$ 82,830,000	La Jolla ISD	TX	GO	
August 26, 2004	\$ 102,050,000	Texas Muni Power	TX	Rev Ref	
August 27, 2004	\$ 165,000,000	Detroit	MI	GO	
August 27, 2004	\$ 19,000,000	Detroit	MI	GO Taxable	



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