



# *City of Austin, Texas*

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**\$79,528,000**

**Public Improvement Bonds, Series 2010A**

**Late Backup**

**\$26,400,000**

**Public Improvement Bonds, Taxable Series 2010B**

**\$22,300,000**

**Certificates of Obligation, Series 2010**

**\$16,450,000**

**Public Property Finance Contractual Obligations, Series 2010**



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**Pricing Report**

**August 26, 2010**

*Items 55-58*



## *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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## *Description*

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



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## *Rating Agency Highlights*

### Moody's

- Healthy economy
- Strong financial performance
- Rapid retirement of debt

### Standard & Poor's

- Strong and diverse economic base anchored by state government and higher education
- Strong financial management, including high reserves and codified policies ensuring long-term structural budgetary stability
- Moderate overall debt levels, and a reasonable capital plan

### Fitch

- Experienced management team and sound fiscal and budgetary practices and policies
- Moderate debt profile with manageable capital needs



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## *Bond Market Update*

WEDNESDAY'S MARKET: MUNI YIELDS TUMBLE TO FRESH RECORD LOWS

Aug 26 2010 6:36

By Michael Connor in Miami and Lisa Lambert, Reuters

MIAMI/WASHINGTON, Aug. 25 (Reuters) - Yields on top-quality 10-year and 30-year municipal bonds tumbled again on Wednesday and set new record lows as investors scrambled for slim offerings of tax-exempt debt. Reflecting a weeks-old price rally as well as the global easing of interest rates, the 30-year bond yield declined 3 basis points on Wednesday to 3.67 percent on Municipal Market Data's benchmark triple-A scale. Yields on 10-year bonds gave up 6 basis points and closed at 2.17 percent, according to MMD. "Lack of issuance through Labor Day is keeping the muni rally alive," said MMD Analyst Randy Smolik about the U.S. bank holiday at the beginning of September. "So are the aggressive bids coming from competitive underwriters."

A slew of disappointing economic data -- including government reports on Wednesday showing that sales of new homes dropped 12.4 percent in July and durable goods orders rose far less than expected -- has sent investors skittering away from the stock market. Recently, they have sought refuge in Treasuries, which often set the pace for munis, although a rally in Treasuries early on Wednesday eased by the afternoon. According to MMD, 30-year top-rated munis yield 104.23 percent of comparable Treasuries as of Tuesday. That is the highest since Aug. 31, 2009, when 30-years yielded 105.5 percent of similar Treasuries.

In the primary market for munis, a New Mexico Finance Authority state transportation new and refunding revenue bond deal was priced for institutional investors. Among competitively bid deals, New Hampshire offered \$150 million of tax-exempt and taxable general obligation bonds. Citigroup won \$90 million of tax-free bonds. J.P. Morgan Securities won \$60 million of the state's taxable Build America Bonds.

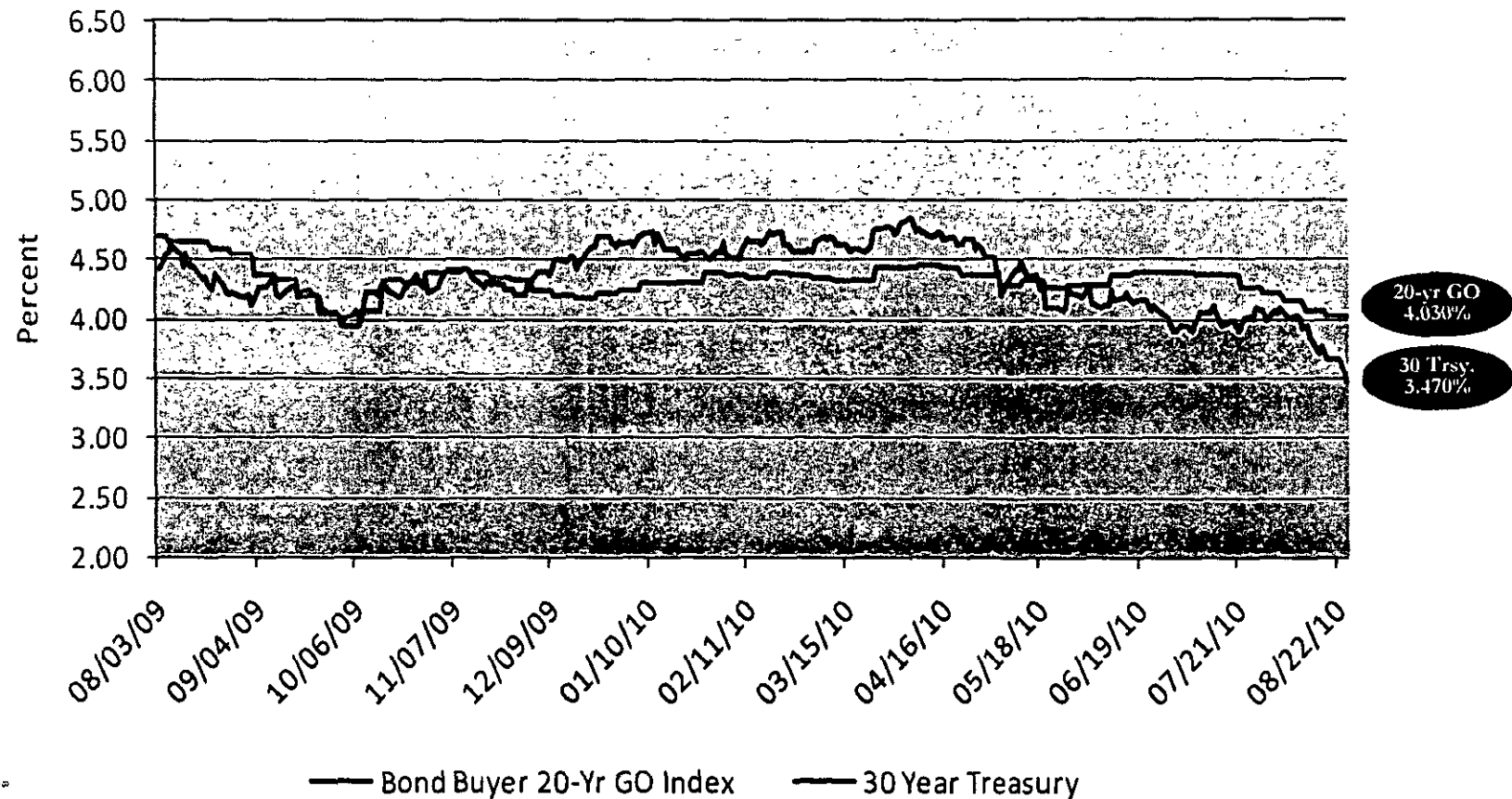


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## *Bond Buyer 20 Year GO vs. 30 Year Treasury August 2009 through August 2010*



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## *Municipal Markets Calendar*

### COMPETITIVE

Week of	Amount	Issuer	State	Issue	Manager
August 23, 2010	\$ 144,678,000	Austin, City of	TX	GO	N/A
	\$ 23,535,000	College Station, City of	TX	GO	N/A
	\$ 150,000,000	State of New Hampshire	NH	GO	N/A
	\$ 21,145,000	Reno, City of	NV	GO	N/A
	\$ 94,540,000	Prince George's County	MD	GO	N/A

### NEGOTIATED

Week of	Amount	Issuer	State	Issue	Manager
August 23, 2010	\$ 229,000,000	Houston Combined Utility Sys.	TX	Revenue	RBC Capital Markets
	\$ 32,450,000	Montgomery County	TX	CO	Wells Fargo
	\$ 79,815,000	Spokane County	WA	GO	Bardays Capital
	\$ 289,335,000	County of Sonoma	CA	Pension	JPMorgan
	\$ 202,640,000	Oklahoma Capital Imp. Auth.	OK	Revenue	RBC Capital Markets



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## *Competitive Bids*

### Public Improvement Bonds, Series 2010A

Bidder	Bid Price	TIC
First Southwest	79,528,000.00	3.347034%
JPMorgan	79,528,000.00	3.428443%
BOSC	79,792,828.24	3.462658%
RW Baird	79,676,678.27	3.468146%
Hutchinson, Shoc	79,691,268.39	3.480933%
Wells Fargo	79,790,442.40	3.510246%
Citigroup	79,699,382.25	3.519958%
Morgan Stanley	79,790,442.40	3.532396%
Goldman Sachs	79,766,584.00	3.644162%
Barclays Capital	79,755,401.33	3.677930%

### Certificates of Obligation, Series 2010

Bidder	Bid Price	TIC
BOSC	22,316,026.59	3.018980%
UBS Financial	22,315,786.25	3.034104%
RW Baird	22,368,543.86	3.064914%
First Southwest	22,300,768.79	3.123530%
Hutchinson, Shoc	22,324,543.60	3.136862%
Morgan Stanley	22,300,000.00	3.149407%
Goldman Sachs	22,373,590.00	3.163044%

### Public Improvement Bonds, Taxable Series 2010B

Bidder	Bid Price	TIC
Morgan Keegan	26,412,562.99	4.207950%
Vining-Sparks	26,400,000.00	4.223420%
Wells Fargo	26,400,000.00	4.268417%
Stifel Nicolaus	26,403,305.76	4.280145%
Ramirez & Co.	26,426,400.00	4.418477%
JPMorgan	26,488,931.55	4.687521%
Barclays Capital	26,454,224.40	4.913939%
Goldman Sachs	26,488,704.00	4.966409%

### Public Property Finance Authority Contractual Obligations, Series 2010

Bidder	Bid Price	TIC
RW Baird	16,496,580.65	1.273413%
Hutchinson, Shoc	16,496,256.91	1.460735%
Morgan Stanley	16,504,778.50	1.478893%
Goldman Sachs	16,504,285.00	1.624297%
UBS Financial	16,504,943.00	1.626312%
Southwest Secur	16,499,350.00	1.822208%



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## Maturity Schedules

Public Improvement Bonds Tax-Exempt Series 2010A				Public Improvement Bonds Federally Taxable Series 2010B				Certificates of Obligation Series 2010				RRFEO Series 2010			
Maturity	Principal	Coupon	Yield	Maturity	Principal	Coupon	Yield	Maturity	Principal	Coupon	Yield	Maturity	Principal	Coupon	Yield
9/1/2011	\$ 10,288,000	3.000%	0.370%	9/1/2011	\$ 640,000	3.000%	0.450%	9/1/2011	\$ 675,000	2.000%	0.300%	5/1/2011	\$ 975,000	1.000%	0.350%
9/1/2012	-	-	-	9/1/2012	-	-	-	9/1/2012	710,000	2.000%	0.400%	11/1/2011	1,095,000	1.000%	0.370%
9/1/2013	2,810,000	2.000%	0.580%	9/1/2013	790,000	3.500%	1.240%	9/1/2013	745,000	2.000%	0.550%	5/1/2012	1,015,000	1.000%	0.400%
9/1/2014	100,000	2.000%	0.870%	9/1/2014	100,000	3.500%	1.610%	9/1/2014	780,000	2.000%	0.800%	11/1/2012	1,140,000	1.000%	0.500%
9/1/2015	100,000	2.000%	1.250%	9/1/2015	100,000	3.500%	2.010%	9/1/2015	820,000	2.000%	1.200%	5/1/2013	1,155,000	1.000%	0.550%
9/1/2016	100,000	2.000%	1.530%	9/1/2016	100,000	3.500%	2.360%	9/1/2016	860,000	2.000%	1.480%	11/1/2013	1,180,000	1.000%	0.600%
9/1/2017	100,000	2.000%	1.800%	9/1/2017	100,000	3.500%	2.680%	9/1/2017	905,000	2.000%	1.750%	5/1/2014	1,200,000	1.000%	0.750%
9/1/2018	100,000	2.125%	1.960%	9/1/2018	100,000	3.500%	2.980%	9/1/2018	950,000	2.000%	1.910%	11/1/2014	1,225,000	1.000%	0.800%
9/1/2019	100,000	2.375%	2.170%	9/1/2019	100,000	3.500%	3.190%	9/1/2019	995,000	2.250%	2.120%	5/1/2015	1,250,000	1.250%	1.100%
9/1/2020	3,450,000	4.000%	2.370%	9/1/2020	1,750,000	4.500%	3.340%	9/1/2020	1,045,000	3.000%	2.350%	11/1/2015	1,270,000	1.250%	1.150%
9/1/2021	3,665,000	4.000%	2.650%	9/1/2021	1,835,000	3.450%	3.450%	9/1/2021	1,100,000	3.000%	2.570%	5/1/2016	1,280,000	1.500%	1.380%
9/1/2022	3,885,000	4.000%	2.770%	9/1/2022	1,915,000	3.650%	3.650%	9/1/2022	1,155,000	3.000%	2.740%	11/1/2016	1,200,000	1.500%	1.430%
9/1/2023	4,200,000	3.000%	2.930%	9/1/2023	2,000,000	4.000%	4.000%	9/1/2023	1,210,000	3.000%	2.900%	5/1/2017	1,220,000	1.750%	1.650%
9/1/2024	4,310,000	3.000%	3.040%	9/1/2024	2,090,000	4.000%	4.000%	9/1/2024	1,270,000	3.000%	3.000%	11/1/2017	1,245,000	1.750%	1.700%
9/1/2025	4,715,000	3.000%	3.150%	9/1/2025	2,185,000	4.000%	4.000%	9/1/2025	1,335,000	3.000%	3.120%				
9/1/2026	4,910,000	3.000%	3.260%	9/1/2026	2,290,000	4.125%	4.125%	9/1/2026	1,400,000	3.125%	3.250%				
9/1/2027	5,205,000	3.125%	3.370%	9/1/2027	2,395,000	4.350%	4.350%	9/1/2027	1,470,000	3.250%	3.390%				
9/1/2028	5,590,000	3.250%	3.480%	9/1/2028	2,510,000	4.450%	4.450%	9/1/2028	1,545,000	3.375%	3.500%				
9/1/2029	5,765,000	3.375%	3.580%	9/1/2029	2,635,000	4.550%	4.550%	9/1/2029	1,625,000	3.500%	3.600%				
9/1/2030	20,135,000	3.500%	3.660%	9/1/2030	2,765,000	4.650%	4.650%	9/1/2030	1,705,000	3.500%	3.700%				

TIC: 3.347034%

TIC: 4.207950%

TIC: 3.018980%

TIC: 1.273413%



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