

# Agenda Report

**TO:** CITY COUNCIL **DATE:** April 23, 2007  
**FROM:** CITY MANAGER  
**SUBJECT:** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA CONFIRMING THE AWARD OF ITS WATER REVENUE BONDS, 2007 SERIES

## **RECOMMENDATION**

It is recommended that the City Council approve a resolution confirming the award of its Water Revenue Bonds, 2007 Series.

## **BACKGROUND:**

On March 19, 2007 the City Council authorized the issuance of its Water Revenue Bonds, Series 2007; however, in accordance with Section 1414 of the City Charter, once bids have been received, the City Council must, by Resolution, officially accept the bid and fix the interest rate or rates on the bonds. Based on this requirement, it is recommended that the City Council approve the attached Resolution.

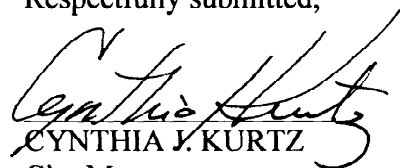
On Monday April 23, 2007, bids will be received for the above referenced bonds. A calculation will be done by the City's Financial Advisor to determine the lowest cost bid to the City. Since the City has 24 hours to accept (or reject) any bid, the City Council will be required to take a formal action at its April 23<sup>rd</sup> City Council meeting. The Council will notice that the Resolution refers to an attached Exhibit A. Exhibit A refers to the results of the bid that will not be known until sometime on April 23<sup>rd</sup>, 2007. As such, staff will have to distribute this Exhibit and ask that it become an official part of the record during the City Council meeting.

In addition, Section 3 and 4 of the Resolution require financial information that will not be known until after the bids are received. This information will also be presented at the April 23<sup>rd</sup> Council meeting and will be incorporated into the final official version of the Resolution.

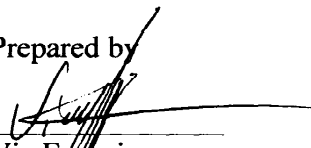
**FISCAL IMPACT**

Under the anticipated results of the bids, debt service will be approximately \$1.3 million per year for the term of the bonds. This debt service has been factored into the Water Fund fiscal year 2008 operating budget.

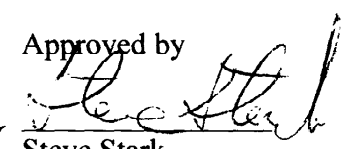
Respectfully submitted,

  
CYNTHIA J. KURTZ  
City Manager

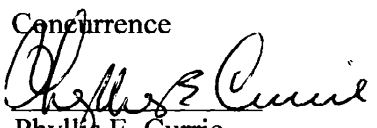
Prepared by

  
Vic Erganian  
City Treasurer

Approved by

  
Steve Stark  
Director of Finance

Concurrence

  
Phyllis E. Currie  
General Manager, Water & Power

**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA CONFIRMING THE AWARD OF ITS WATER REVENUE BONDS, 2007 SERIES**

**WHEREAS**, at the time and place fixed for the opening of bids for the City of Pasadena, California, Water Revenue Bonds, 2007 Series (the "2007 Bonds"), bids were received by the Director of Finance of the City of Pasadena (the "City"); and

**WHEREAS**, the Director of Finance has previously accepted the bid of the highest responsible bidder, a copy of which bid is attached hereto as Exhibit A, and awarded the 2007 Bonds to the bidder named in such bid;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pasadena:

**Section 1.** The bid attached hereto as Exhibit A, specifying the purchase price for the 2007 Bonds and the interest rates per annum for each of the maturities of the 2007 Bonds, is the highest responsible bid for the 2007 Bonds producing the lowest true interest cost to the City (which true interest cost does not exceed five and one-half percent (5.5%) per annum as specified as the maximum true interest cost in the Ordinance authorizing the issuance of the 2007 Bonds). The City hereby waives any irregularity and informality in such bid and the award of the 2007 Bonds to the bidder named in the bid in accordance with the terms of the bid.

**Section 2.** All bids other than the bid accepted by the Director of Finance are rejected.

**Section 3.** The interest rates on the 2007 Bonds are hereby fixed at the rates as set forth in the attached bid. The exact aggregate principal amount of the 2007 Bonds to be issued and sold is \$\_\_\_\_\_.

**Section 4.** The Director of Finance, or his designee, is hereby authorized and directed to deliver the 2007 Bonds to the successful bidder upon payment therefor at the purchase price of \$\_\_\_\_\_, and to undertake any and all acts necessary or desirable to accomplish the purpose of this Resolution.


Adopted at a regular meeting of the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2007,  
by the following vote:

Ayes:

Noes:

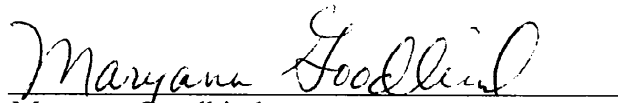
Absent:

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michele Beal Bagneris  
City Attorney

\_\_\_\_\_  
Jane L. Rodriguez  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Maryann Goodkind  
Fulbright & Jaworski L.L.P.  
Bond Counsel