

Agenda Report

TO: CITY COUNCIL **DATE:** NOVEMBER 2, 2009
FROM: CITY MANAGER
SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA CONFIRMING THE AWARD OF ITS ELECTRIC REVENUE BONDS, 2009 SERIES

RECOMMENDATION

It is recommended that the City Council adopt a resolution confirming the award of its Electric Revenue Refunding Bonds, 2009 Series.

BACKGROUND:

On September 14, 2009 the City Council authorized the issuance of its Electric Revenue Refunding Bonds, Series 2009 to refinance the current outstanding 1998 Bonds in the amount of \$43,475,000. The bonds will be sold on a competitive basis on Monday November 2, 2009. 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 adopt the attached Resolution.

On Monday November 2, 2009, 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 asked to take formal action that same evening at its regularly scheduled meeting. The attached Resolution refers to Exhibit A which are results of the bid that will be distributed at the Council meeting and become part of the official record.

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 November 2, 2009 Council meeting and will be incorporated into the final official version of the Resolution.

FISCAL IMPACT

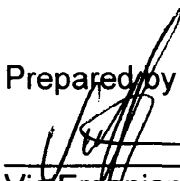
Under the anticipated results of the bids, the True Interest Cost is expected at 3.75% rate and the Power Fund is expected to realize an estimated net present value savings of \$2.5 million. There will be no increase in the annual debt service amount nor an increase in the term of the bonds.

Respectfully submitted,



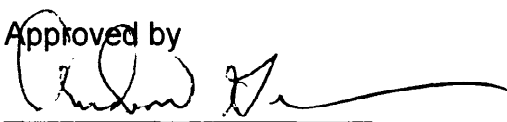
Michael J. Beck
City Manager

Prepared by



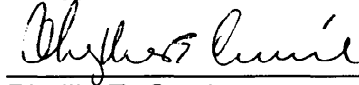
Vic Erganian
Deputy Director of Finance/City Treasurer

Approved by



Andrew Green
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 ELECTRIC REVENUE REFUNDING BONDS, 2009 SERIES

WHEREAS, at the time and place fixed for the opening of bids for the City of Pasadena, California, Electric Revenue Refunding Bonds, 2009 Series (the "2009 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 conditionally awarded the 2009 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 2009 Bonds and the interest rates per annum for each of the maturities of the 2009 Bonds, is the highest responsible bid for the 2009 Bonds producing the lowest true interest cost to the City (which true interest cost does not exceed four and three-quarters percent (4.75%) per annum as specified as the maximum true interest cost in the Ordinance authorizing the issuance of the 2009 Bonds). The City hereby waives any irregularity and informality in such bid and confirms the award of the 2009 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 2009 Bonds are hereby fixed at the rates as set forth in the attached bid. The exact aggregate principal amount of the 2009 Bonds to be issued and sold is \$ _____.

Section 4. The Director of Finance, or his designee, is hereby authorized and directed to deliver the 2009 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 2nd day of November, 2009, by the following vote:

Ayes:

Noes:

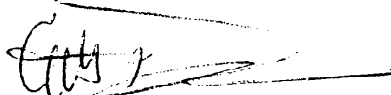
Absent:

APPROVED AS TO FORM:

Michele Beal Bagneris
City Attorney

Mark Jomsky
City Clerk

APPROVED AS TO FORM:



Cecilia Dyba
Fulbright & Jaworski L.L.P.
Bond Counsel

Exhibit A
Winning Bid

RESOLUTION NO. ____

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

Section 3. The interest rates on the 2009 Bonds are hereby fixed at the rates as set forth in the attached bid. The exact aggregate principal amount of the 2009 Bonds to be issued and sold is \$_____.

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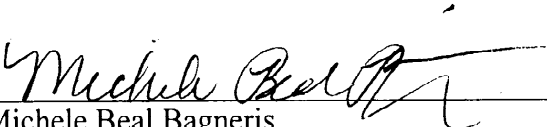
Adopted at a regular meeting of the City Council this 2nd day of November, 2009, by the following vote:

Ayes:

Noes:

Absent:

APPROVED AS TO FORM:


Michele Beal Bagneris
City Attorney

Mark Jomsky
City Clerk

APPROVED AS TO FORM:

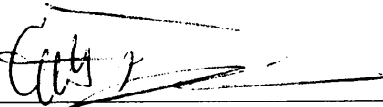

Cecilia Dyba
Fulbright & Jaworski L.L.P.
Bond Counsel

Exhibit A
Winning Bid