

Agenda Report

September 24, 2012

TO: Honorable Mayor and City Council

FROM: Director of Finance

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA CONFIRMING THE AWARD OF ITS ELECTRIC REVENUE REFUNDING BONDS 2012A SERIES

RECOMMENDATION:

It is recommended that the City Council adopt a resolution confirming the award of its Electric Revenue Refunding Bonds, 2012A Series.

BACKGROUND:

On August 6, 2012 the City Council authorized the issuance of its Electric Revenue Refunding Bonds, 2012A Series to partially refinance the current outstanding 2002 bonds and fully refund the outstanding 2003 bonds in the amount of up to \$15 million. The bonds will be sold on a competitive basis on Monday September 24, 2012. 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 September 24, 2012, 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 and B which are the result of the bids and the pricing summary 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 September 24, 2012 council meeting and will be incorporated into the final official version of the resolution.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal to maintain fiscal responsibility and stability for the City will be met through this action.

FISCAL IMPACT:


Under the anticipated results of the bids, the True Interest Cost is expected at an estimated 1.93% rate and the Electric Fund is expected to realize an estimated net present value savings of approximately \$1 million. There will be no increase in the annual debt service amount nor will there be an extension in the term of the bonds. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,




ANDREW GREEN
Director of Finance

Prepared by:



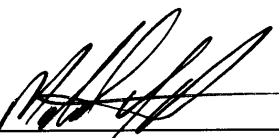
Vic Erganian
Deputy Director of Finance
City Treasurer

Concurred by:



PHYLLIS E. CURRIE
General Manager
Water & Power

Approved by:



MICHAEL J. BECK
City Manager

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA CONFIRMING THE AWARD OF ITS ELECTRIC REVENUE REFUNDING BONDS, 2012A SERIES

WHEREAS, at the time and place fixed for the opening of bids for the City of Pasadena, California, Electric Revenue Refunding Bonds, 2012A Series (the "2012A 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 summary of which bids are attached hereto as Exhibit A, and conditionally awarded the 2012A Bonds to the bidder named in the lowest true interest cost bid;

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

Section 1. The pricing summary attached hereto as Exhibit B, specifying the purchase price for the 2012A Bonds and the interest rates per annum for each of the maturities of the 2012A Bonds, is based on the highest responsible bid for the 2012A Bonds producing the lowest true interest cost to the City (which true interest cost does not exceed four percent (4.00%) per annum as specified as the maximum true interest cost in the Ordinance authorizing the issuance of the 2012A Bonds). The City hereby waives any irregularity and informality in such bid and confirms the award of the 2012A Bonds to the bidder named in the winning 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 2012A Bonds are hereby fixed at the rates as set forth in the attached Exhibit B. The exact aggregate principal amount of the 2012A Bonds to be issued and sold is \$ _____.

Section 4. The Director of Finance, or his designee, is hereby authorized and directed to deliver the 2012A 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 purposes of this Resolution.

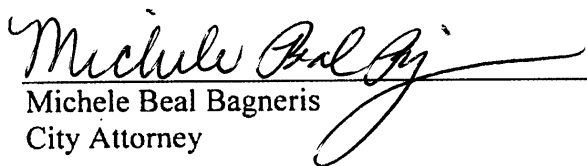
Adopted at a regular meeting of the City Council this 24th day of September, 2012, by the following vote:

Ayes:

Noes:


Absent:

APPROVED AS TO FORM:


Michele Beal Bagneris
City Attorney

Mark Jomsky
City Clerk

APPROVED AS TO FORM:



Danny Kim
Fulbright & Jaworski L.L.P.
Bond Counsel

Exhibit A
Summary of Bids

Exhibit B
Pricing Summary