

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: October 7, 2013

FROM: CITY ATTORNEY

SUBJECT: ELECTRIC REVENUE REFUNDING BONDS, 2013A SERIES OF THE CITY OF PASADENA

TITLE OF PROPOSED ORDINANCE:

AN ORDINANCE OF THE CITY OF PASADENA AUTHORIZING THE ISSUANCE BY THE CITY OF NOT TO EXCEED \$85,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF PASADENA ELECTRIC REVENUE/REFUNDING BONDS, 2013A SERIES, PAYABLE OUT OF THE LIGHT AND POWER FUND, AND APPROVING THE EXECUTION AND DELIVERY OF AN EIGHTH SUPPLEMENT TO ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT, AN ESCROW AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION THEREWITH

PURPOSES OF THE ORDINANCE:

The adopted 5-year (FY 2014-2018) Capital Improvement Program ("CIP") for the electric system provides for the issuance of revenue bonds and the use of equity contribution to finance additions and improvements to the electric system. The CIP is primarily driven by the Electric System Distribution Master Plan and the Integrated Resources Plan and consists of key projects such as the local repowering project.

The purpose of this ordinance is to finance the CIP including the local repowering project. Department of Water and Power staff and its financial advisors (Public Resources Advisory Group) have developed a financing plan which includes issuing the 2013A bonds to finance projected funding requirements through the end of 2014. The plan takes into account the short and long-term impact on user rates, the cost of financing, and interest rate risk and flexibility to adapt to changes in funding requirements.

MEETING OF 10/07/2013

AGENDA ITEM NO. 10

In addition to financing capital costs, the 2013A bonds may also refinance the remaining outstanding Electric Revenue Bonds, 2002 Series in the amount of \$3,535,000 for economic savings.

REASONS WHY LEGISLATION IS NEEDED:

The City Council conducted a first reading of this ordinance at its meeting on September 30, 2013. This action supports the City Council's strategic goal to maintain fiscal responsibility and stability.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

Debt service payments will be made from the Light and Power Fund. Interest on the refunding portion will be addressed by utilizing existing budgeted appropriations in account #8677-401-844910-0427 and funds are available from currently approved rates.

FISCAL IMPACT:

The true interest cost is estimated at 4.74 percent based on current market rates, which is subject to change until the actual bidding is complete on the scheduled November 18, 2013 date. The refunding is estimated to generate \$330,000 of net present value savings, based on current market conditions.

POLICY CHANGES:

This ordinance does not result in any policy changes.

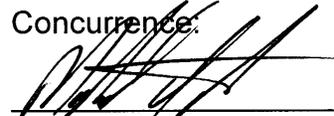
Respectfully submitted,


Michele Beal Bagneris
City Attorney

Prepared by:


Lisa Hosey
Deputy City Attorney

Concurrence:


Michael J. Beck
City Manager