

# Agenda Report

TO: City Council

DATE: August 4, 2003

FROM: Cynthia J. Kurtz, City Manager

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA CONFIRMING THE AWARD OF ITS WATER REVENUE AND REFUNDING BONDS, 2003 SERIES

## **RECOMMENDATION**

It is recommended that the City Council approve a resolution confirming the award of its Water Revenue and Refunding Bonds, 2003 Series.

## **BACKGROUND**

The City Council has already authorized the issuance of Water Revenue Bonds; 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 upon this requirement, it is recommended that the City Council approve the attached Resolution.

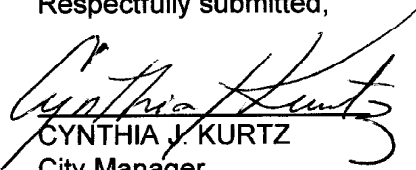
On Monday, August 4, 2003, bids will be received for the above referenced Bonds. A calculation will be done by the City's Financial Advisors to determine the lowest cost bid to the City. Since the City has 24 hours to accept (or reject) any bid, the City Council will be required to take formal action at its August 4<sup>th</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 August 4<sup>th</sup>. 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, Sections 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 August 4<sup>th</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 \$3.4 million per year for the first sixteen years until the refunded bonds have been fully retired and then approximately \$1.3 to \$1.9 million per year for the remaining 14 years. This debt service has been factored into the Water Fund fiscal year 2004 operating budget.

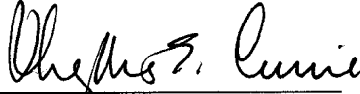
Respectfully submitted,

  
CYNTHIA J. KURTZ  
City Manager

Approved by:

  
Jay M. Goldstone  
Director of Finance

Concurrence:

  
Phyllis E. Currie  
General Manager, Water & Power