

Agenda Report

TO: City Council

DATE: AUGUST 24, 1998

FROM: Cynthia J. Kurtz, Acting City Manager

SUBJECT: APPROVAL OF A RESOLUTION CONFIRMING THE AWARD OF ITS
ELECTRIC REVENUE/REFUNDING BONDS, 1998 SERIES

RECOMMENDATION

It is recommended that the City Council approve a resolution confirming the award of its Electric Revenue/Refunding Bonds, 1998 Series.

BACKGROUND

The City Council has already authorized the issuance of Electric Revenue/Refunding 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 24, 1998, 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 24th 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 which will not be known until sometime on August 24th. 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 which will not be known until after the bids are received. This information will also be presented at the August 24th Council meeting and will be incorporated into the final official version of the Resolution.

FISCAL IMPACT


Under the proposed financing, the overall debt structure of the refunded bonds and the new money bonds will still result in lower annual debt service. In addition, the new money issue will free up a like dollar amount within the Light and Power Fund which will be transferred into the Reserve for Stranded Investments.

Respectfully submitted,



CYNTHIA J. KURTZ
Acting City Manager

Approved by:



JAY M. GOLDSTONE
Director of Finance