

SUBJECT: An Ordinance Supplementing the City of Houston, Texas Combined Utility System Master Ordinance; providing for the issuance of refunding bonds to refund the Combined Utility System First Lien Revenue Refunding Bonds, Series 2012C in one or more series or subseries as may be further designated.	Category #	Page 1 of 1	Agenda Item #
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FROM (Department or other point of origin): Finance Department and Office of City Controller	Origination Date: July 12, 2016	Agenda Date
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DIRECTOR'S SIGNATURE: 	Council District Affected: All
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For additional information contact: Tantri Emo <i>TE</i> Phone: 832-393-9076 Charisse Mosely Phone: 832-393-3529	Date and identification of prior authorizing Council action: April 21, 2004 – Ordinance No. 2004-299
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RECOMMENDATION: An Ordinance Supplementing the City of Houston, Texas Combined Utility System Master Ordinance; providing for the issuance of bonds to refund the Combined Utility System First Lien Revenue Refunding Bonds, Series 2012C in one or more series or subseries as may be further designated, in an aggregate amount of \$249,075,000; authorizing the Mayor and City Controller to approve the amounts, interest rates, prices, and terms thereof and certain other matters relating thereto.

Amount of Funding: Not Applicable	Finance Dept Budget:
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Source of Funding: General Fund Grant Fund Enterprise Fund Other (Specify)

SPECIFIC EXPLANATION:

The City has identified \$249.075 million of the Combined Utility System First Lien Revenue and Refunding Bonds, Series 2012C (SIFMA Index Floating Rate Bonds) that have a mandatory tender date of August 1, 2016. The Series 2012C Bonds need to be remarketed or refunded by August 1, 2016.

The proposed ordinance provides for refunding of the Series 2012C Bonds as index floating rate bonds in an aggregate amount of \$249.075 million. Maintaining this recommended structure as an alternative to a letter of credit will continue to provide a good opportunity to continue reducing the City's dependence on bank facilities.

The Finance Working Group recommends the CUS Series 2012C Bonds be refunded by the issuance of refunding bonds through a negotiated financing with Bank of America Merrill Lynch serving as purchaser in a private placement for the refunding bonds in the amount of \$249.075 million. Andrews Kurth and Bratton & Associates are recommended as bond co-counsel.

This transaction was presented to the Budget and Fiscal Affairs Committee on June 7th 2016.

Recommendation:

The FWG recommends the approval of this item.

REQUIRED AUTHORIZATION		
Finance Director:	Other Authorization:	Other Authorization: