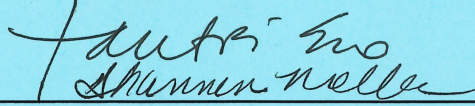




SUBJECT: An Ordinance supplementing Ordinance No. 2009-1118 relating to the issuance of City of Houston, Texas Combined Utility System Commercial Paper Notes, Series B-3.		Category #	Page 1 of 1	Agenda Item#
FROM (Department or other point of origin): Department of Finance and Office of the City Controller		Origination Date: 11/28/2017	Agenda Date	
DIRECTOR'S SIGNATURE: 		Council District Affected: All		
For additional information contact: Melissa Dubowski  Phone: 832-393-9101 Charisse Mosely  Phone: 832-393-3529		Date and identification of prior authorizing Council action: Ordinances 2009-1118; 2012-4		
RECOMMENDATION: (Summary)				
An Ordinance supplementing Ordinance No. 2009-1118 relating to the issuance of City of Houston, Texas Combined Utility System Commercial Paper Notes, Series B-3; authorizing the substitution of credit facility, the execution and delivery of reimbursement agreement, bank fee letter, a co-bond counsel agreement, and approving updated offering memorandum.				
Amount of Funding: Not Applicable			Finance Budget:	
Source of Funding: <input type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input type="checkbox"/> Other (Specify) <input checked="" type="checkbox"/> Enterprise Fund				
SPECIFIC EXPLANATION:				
<p>Starting in 1993, City Council began authorizing commercial paper programs to provide appropriation capacity and "on time" funding for various capital expenditures of the City to be funded with proceeds of debt. The issuance of commercial paper has provided an expedient, cost-effective method of providing interim financing. Commercial paper notes are later refinanced with fixed rate bonds with maturities matching the useful lives of the projects or equipment being financed.</p> <p>The existing letter of credit that supports the current Series B-3 commercial paper (CP) program has an upcoming expiration date of January 16, 2018. This program currently supports capital expenditures related to the Combined Utility System's Capital Improvement Plan.</p> <p>Sumitomo Mitsui Banking Corporation will provide a replacement direct-pay letter of credit for the Series B-3 program in the amount of \$75 million, plus interest. The liquidity facility will have a 3-year term.</p> <p>The Finance Working Group (the "FWG") also recommends U.S. Bank National Association as paying agent, and Andrews Kurth and Bratton & Associates as co-note counsel. Barclays, Citigroup, JP Morgan, Ramirez & Co., Inc. and Rice Financial are recommended as dealers.</p> <p>This transaction was presented to the Budget and Fiscal Affairs Committee on December 12th, 2017.</p> <p>Recommendation:</p> <p>The FWG recommends the approval of this transaction.</p>				
REQUIRED AUTHORIZATION				
Finance Director:	Other Authorization:		Other Authorization:	