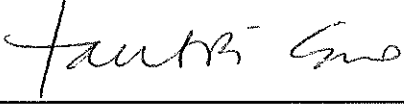


<b>SUBJECT:</b> An Ordinance Supplementing and amending the City of Houston, Texas Combined Utility System Master Ordinance 2004-299; Ordinance 2012-483; Ordinance 2017-325; authorizing the remarketing and purchase of the Combined Utility System First Lien Revenue Refunding Bonds, Series 2012B.		<b>Category #</b>	<b>Page</b> 1 of <u>1</u>	<b>Agenda Item#</b>
<b>FROM (Department or other point of origin):</b> Department of Finance and Office of the City Controller		<b>Origination Date:</b> 5/23/18	<b>Agenda Date</b>	
<b>DIRECTOR'S SIGNATURE:</b> 		<b>Council District Affected:</b> All		
<b>For additional information contact:</b> Melissa Dubowski <i>MD</i> <b>Phone:</b> 832-393-9101 Charisse Mosely <b>Phone:</b> 832-393-3529		<b>Date and identification of prior authorizing Council action:</b> Ordinance No. 2004-299, 2012-483, 2017-325		
<b>RECOMMENDATION: (Summary)</b> An Ordinance Supplementing and amending the City of Houston, Texas Combined Utility System Master Ordinance 2004-299; Ordinance 2012-483; Ordinance 2017-325; authorizing the remarketing and purchase of the Combined Utility System First Lien Revenue Refunding Bonds, Series 2012B, in an aggregate principal amount of \$100,000,000; authorizing the Mayor and City Controller to approve the amounts, interest rates, mode, prices, and terms of the remarketed Series 2012B Bonds and certain other matters relating thereto.				
<b>Amount of Funding:</b> <b>Not Applicable</b>			<b>Finance Budget:</b>	
<b>Source of Funding:</b> [ ] General Fund [ ] Grant Fund [ ] Other (Specify) [ X ] Enterprise Fund				
<b>SPECIFIC EXPLANATION:</b> The City has identified \$100 million of the Combined Utility System First Lien Revenue Refunding Bonds, Series 2012B (Direct Purchase Obligations) held by State Street Public Lending Corporation that as a result of Tax Reform, effective January 1, 2018, are subject to increased interest cost.  The proposed ordinance provides for remarketing the Series 2012B Bonds as variable rate demand bonds supported by a State Street liquidity facility in an aggregate amount of \$100 million.  The Finance Working Group recommends the CUS Series 2012B Bonds be remarketed by Goldman Sachs, as Remarketing Agent. Orrick, Herrington & Sutcliffe LLP and Bratton & Associates are recommended as co-bond counsel. Greenberg Traurig, LLP and the Chevalier Law Firm are recommended as co-disclosure counsel.  This transaction was presented to the Budget and Fiscal Affairs Committee on April 24, 2018.  <b>Recommendation:</b>  The FWG recommends the approval of this item.				
<b>REQUIRED AUTHORIZATION</b>				
<b>Finance Director:</b>		<b>Other Authorization:</b>		<b>Other Authorization:</b>