The City Council of the City of Lubbock, Texas met in a special session on the 12th day of June 2008, in the City Council Chambers, first floor, City Hall, 1625 13th Street, Lubbock, Texas at 7:30 A.M.

7:30 A.M. CITY COUNCIL CONVENCED
City Council Chambers, 1625 13th Street, Lubbock, Texas

Present: Mayor Tom Martin; Mayor Pro Tem Jim Gilbreath; Council Member Linda DeLeon; Council Member Phyllis Jones; Council Member Todd R. Klein; Council Member Floyd Price; Lee Ann Dumbauld, City Manager; Richard Casner, First Assistant City Attorney; and Rebecca Garza, City Secretary

Absent: No one

1. REGULAR AGENDA

1.1. Ordinance 1st and Only Reading - Finance: Ordinance No. 2008-O0058 providing for the issuance of City of Lubbock, Texas, Tax and Waterworks System Surplus Revenue Certificates of Obligation, Series 2008A; approving a Paying Agent/Registrar Agreement; prescribing the form of said Certificates; levying a tax and pledging Surplus Waterworks System Revenues in payment thereof and enacting other provisions relating thereto.

ITEM SUMMARY
On April 24, 2008, City Council approved the first step in the issuance process of City of Lubbock, Texas, Tax and Waterworks System Surplus Revenue Certificates of Obligation, Series 2008A, by authorizing publication of a Notice of Intent to Issue Certificates of Obligation.

The ordinance approves the sale of the Certificates of Obligation to the Texas Water Development Board. The ordinance sets out the interest rates, maturities and other relevant terms of sale. The bonds are being issued in the principal amount of $22,615,000 to fund project costs and costs of issuance. The final maturity will be 2028. Proceeds from the sale are used for acquisition of land, easements and rights-of-way, and planning, design and engineering services, as well as special engineering services that include supporting environmental investigations, surveying and geotechnical studies, all in connection with the planning, design and construction of a raw water transmission line, pump station and water treatment plant improvements to enable Lake Alan Henry to serve as a water supply for the City. Senate Bill 1759 of the 77th Legislative Session amends Subchapter B, Chapter 1201, of the Texas Government Code under Section 1201.028(3) allowing the authorization of a public security with only one reading of the
ordinance. The ordinance at the time of printing of the backup material remains subject to review by the Texas Water Development Board. Once any changes have been provided by the Texas Water Development Board, the information will be included and a final ordinance provided to Council members.

FISCAL IMPACT
Annual debt service payments are appropriated in the annual operating budget process and are included in long-term financial planning and rate models. Annual payments are made from Water Fund revenues and not from property tax revenues.

The interest rate is set at 2.45%, which is approximately 193 basis points lower than current market rates. Over the life of these certificates, the City’s interest costs are $4,506,780 lower than if the City had issued in the bond market.

Lee Ann Dumbauld, City Manager gave comments.

Motion was made by Council Member Jones, seconded by Council Member DeLeon to approve Ordinance 2008-O0058 as recommended by staff. Motion carried: 7 Ayes, 0 Nays.

7:32 A.M. COUNCIL ADJOURNED

There being no further business to come before Council, Mayor Martin adjourned the meeting.