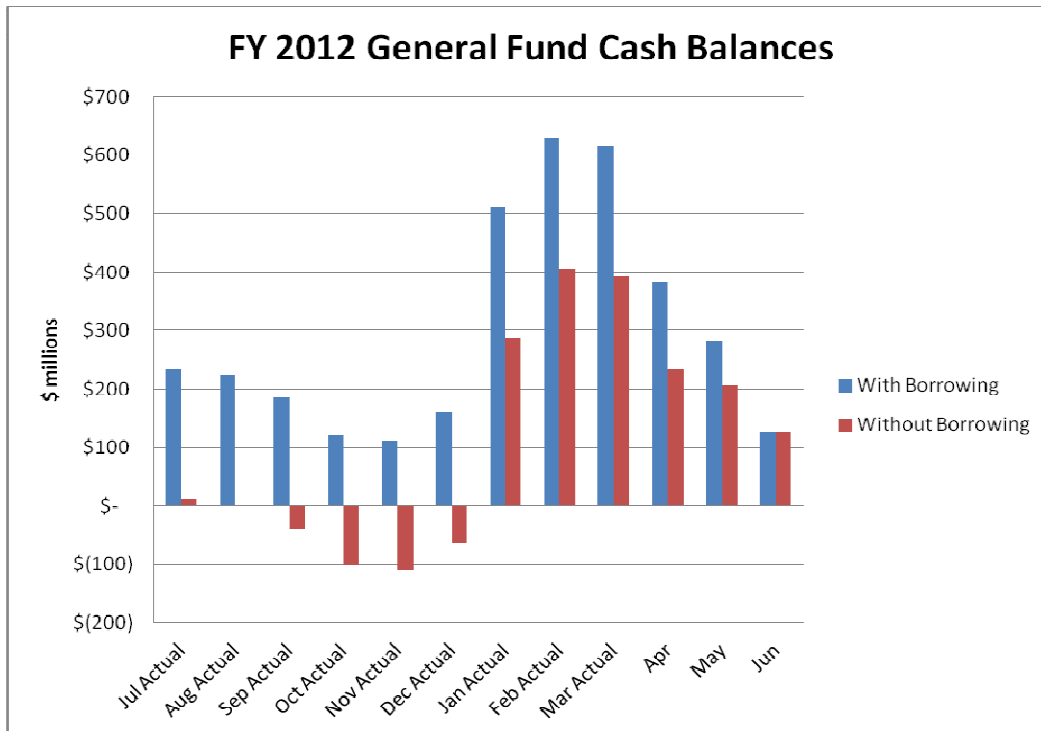


borrowing has only been used once in the past 7 years for unexpected Ike related expenditures in FY 2009.

To complete this transaction, an RCA will be presented to City Council on May 9, 2012 for authorization of the sale, and approval of the Preliminary Official Statement (POS), Notice of Sale, and distribution of the POS. The competitive auction is expected to occur in June and the results will be presented to City Council for a motion to accept the winning bid or bids. Closing will occur in July.

The bidding process allows the broker/dealers to bid for less than the full amount of such Notes; therefore, the winning bid may be awarded to more than one firm. Electronic bids for the Notes will be received via the Internet the morning of a City Council session. At the close of the bidding period, the Office of the City Controller, Finance Department, and the City’s financial advisors will verify interest rate calculations of bids received and join the City Council session to announce the results. City Council is asked to adopt a motion to award the sale based on the lowest true interest cost, ratify and confirm the use of the Preliminary Official Statement provided to prospective bidders in connection with the offering for sale of the Notes, and authorize the distribution of the Official Statement.

Recommendation Rationale



HISTORICAL BORROWING RATES

Series	Par Amount (\$ millions)	All-In True Interest Cost
Series 2011	220	0.197702%
Series 2010	230	0.383430%
Series 2009	150	0.412370%

Attachment 1: Finance Working Group

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