

#14
11-3-05

Ordinance Number **101610**

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS AUTHORIZING THE REDEMPTION OF \$3,000,000 AND REMARKETING OF \$157,000,000 OF OUTSTANDING OBLIGATIONS DESIGNATED AS CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS JUNIOR LIEN REVENUE BONDS, SERIES 2004; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE REDEMPTION AND REMARKETING OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF A REMARKETING MEMORANDUM PERTAINING THERETO; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City Council (herein referred to as the "*City Council*") of the City of San Antonio, Texas (herein referred to as the "*City*") has heretofore issued, and there are currently outstanding, revenue bonds designated as "City of San Antonio, Texas Electric and Gas Systems Junior Lien Revenue Bonds, Series 2004" (herein referred to as the "*Bonds*") authorized pursuant to an ordinance adopted by the City Council on November 4, 2004 (the "*Bond Ordinance*"); and

WHEREAS, the Bonds currently bear interest at an initial Term Rate (as defined in the Bond Ordinance) for a period through November 30, 2005 and will be remarketed on December 1, 2005; and

WHEREAS, the City Public Service Board of San Antonio, Texas (the "Board") has been advised by their co-financial advisors that \$3,000,000 in principal amount of the Bonds should be called for redemption on December 1, 2005 and that the interest rate for \$157,000,000 in principal amount of the Bonds should be remarketed to a two year Term Rate and the Bond Ordinance permits the remarketing of the interest rate mode to a two year Term Rate by adoption by the City Council of an ordinance; and

WHEREAS, the Board has pursuant to a resolution adopted on October 31, 2005, recommended that the redemption and remarketing of the Bonds in a two year Term Rate interest rate mode authorized hereby should be entered into by the City; and

WHEREAS, the City Council hereby finds and determines that the action authorized hereby is in the best interest of the City and its inhabitants; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO THAT:

SECTION 1: Authorization of the Redemption of the Bonds. The Bonds in the principal amount of \$3,000,000 are called for redemption, and shall be redeemed, on December 1, 2005. This notice of redemption is irrevocable upon adoption of this Ordinance by the City Council. The Notice of Redemption to be given by the Paying Agent/Registrar for the Bonds is attached hereto as Exhibit A.

SECTION 2: Revised Mandatory Sinking Fund Redemption Schedule. Pursuant to the provisions of the Bond Ordinance, the revised Mandatory Sinking Fund Redemption Schedule for the Bonds as is follows:

<u>Year</u>	<u>Principal Amount</u>
2024	\$39,250,000
2025	\$39,250,000
2026	\$39,250,000
2027	\$39,250,000 (Final Maturity)

SECTION 3: Authorization of Remarketing of the Bonds and Change in Interest Rate Mode on the Bonds. The Interest Rate Mode for the Bonds is hereby authorized to be remarketed to a two year Term Rate to have an effective date of December 1, 2005. The co-financial advisors to the Board, bond counsel, and the General Manager and CEO or Treasurer of the Board are hereby authorized and directed to take all necessary actions and execute the necessary documents for the remarketing of the Bonds.

SECTION 4: Authorization of First Supplemental Remarketing Agreement. The City previously entered into a Remarketing Agreement originally dated as of November 1, 2004 between the City and Morgan Stanley & Co. Incorporated upon the initial issuance of the Bonds and the City hereby approves and authorizes the execution of a First Supplemental Remarketing Agreement, dated as of November 16, 2005 (the "Remarketing Contract") between the City and Morgan Stanley & Co. Incorporated, in substantially the form presented at this meeting, for the remarketing of the Bonds to two year Term Rate. The Mayor and City Clerk are hereby authorized and directed to execute the necessary documents for the remarketing of the Bonds. The remarketing of the Bonds by Morgan Stanley & Co. Incorporated in accordance with the terms of the Remarketing Contract is hereby confirmed.

SECTION 5: Notices; Ratification of Prior Action. (a) Remarketing. The Paying Agent/Registrar is hereby authorized and directed to provide notice to the Owners of the remarketing of the Term Rate period for the Bonds authorized by this Ordinance, such notice to be in the form and to the effect required by the Bond Ordinance. In addition, the Authorized Representatives as defined in the Bond Ordinance are authorized and directed to provide any notice required by the Bond Ordinance in connection with any conversion of the Rate Period for the Bonds authorized by this Ordinance.

The actions of the Authorized Representatives, agents and representatives of the City and the Board taken prior to the date of this Ordinance to accomplish the redemption of a portion of the Bonds and the remarketing of the Bonds to a two year Term Rate are hereby ratified, confirmed, and approved.

(b) Material Events Notice. The Authorized Representatives, agents and representatives of the City and the Board are hereby authorized and directed to take any action, and to execute and deliver any and all documents, certificates or other instruments as are

necessary or appropriate, for the filing of any material event notice required as a result of the transactions authorized by this Ordinance and the City's and the Board's continuing disclosure undertaking under SEC Rule 15c2-12 and the Bond Ordinance.

(c) The Chairman and Secretary of the Board are authorized and instructed to give notice of such redemption to the Paying Agent/Registrar for the Bonds and any other required party, as provided in the Bonds and the Bond Ordinance.

SECTION 6: Remarketing Memorandum. The City hereby approves, ratifies and confirms the form and content of the remarketing memorandum (the "Remarketing Memorandum") presented to the City with this Ordinance and prepared for use by the Remarketing Agent in connection with the remarketing of the Bonds and the determination of the interest rate for the Bonds from time to time, including the Term Rate, and authorizes the preparation of any addenda, supplements or amendments thereto as an Authorized Representative may deem appropriate; and the City further ratifies and approves the use and distribution of such Remarketing Memorandum in connection with the remarketing of the Bonds and the determination of the Term Rate. The Authorized Representatives, officials, agents and representatives of the City and the Board are hereby authorized and directed to execute and deliver any certificates, instruments, affidavits or other documents as may be necessary or appropriate in connection with the Remarketing Memorandum. It is hereby officially found, determined and declared that the descriptions, statements and information contained in the Remarketing Memorandum are true and correct in all material respects, to the best knowledge and belief of the Board and the City.

SECTION 7: Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

SECTION 8: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 9: Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 10: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals and other statements therein are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

SECTION 11: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 12: Further Proceedings. The officers and employees of the City are hereby authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and, upon execution and delivery thereof, the amendments and extensions to the standby bond purchase agreements. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 13: Effective Date. The effective date of this Ordinance shall be governed by the provisions of Section 1-15 of the City Code of San Antonio, Texas. This Ordinance shall take effect immediately if passed by the affirmative vote of at least eight members of the City Council, otherwise the same shall take effect on the tenth day after the date of its passage by the City Council.

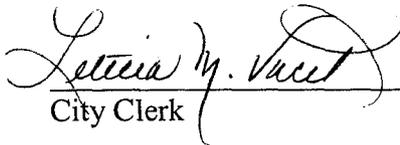
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PASSED AND ADOPTED by an affirmative vote of 11 members of the City Council of the City of San Antonio, Texas, this the 3rd day of November, 2005.

CITY OF SAN ANTONIO

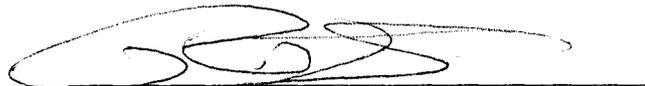

Mayor **PHIL HARDBERGER**

ATTEST:


City Clerk

(CITY SEAL)

I, the undersigned, City Attorney of the City of San Antonio, Texas, hereby certify that I read, passed upon, and approved as to form the foregoing Ordinance prior to its adoption and passage as aforesaid.


Michael Bernard, City Attorney,
City of San Antonio, Texas

Agenda Voting Results

Name: 14.

Date: 11/03/05

Time: 04:08:09 PM

Vote Type: Multiple selection

Description: 11:00AM TIME CERTAIN (may be heard after this time): An Ordinance authorizing the redemption of \$3,000,000.00 and remarketing of \$157,000,000.00 of the outstanding obligations designated as City of San Antonio, Texas Electric and Gas Systems Junior Lien Revenue Bonds, Series 2004; prescribing the form, terms, conditions, and resolving other matters incident and related to the redemption and remarketing of bonds, including the approval and distribution of a remarketing memorandum pertaining thereto; and providing for an effective date. [Presented by Ben Gorzell, Director, Public Utilities; Melissa Byrne Vossmer, Assistant City Manager]

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1		x		
SHEILA D. MCNEIL	DISTRICT 2		x		
ROLAND GUTIERREZ	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
DELICIA HERRERA	DISTRICT 6		x		
ELENA K. GUAJARDO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
KEVIN A. WOLFF	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR PHIL HARDBERGER	MAYOR		x		

EXHIBIT A
NOTICE OF REDEMPTION