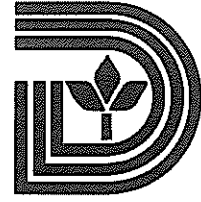


Memorandum



CITY OF DALLAS

DATE September 23, 2010

TO Members of the Budget, Finance & Audit Committee:
Chair Jerry R. Allen, Vice-Chair Ann Margolin, Vonciel Jones Hill, Angela Hunt,
Delia D. Jasso, Ron Natinsky, David A. Neumann

SUBJECT General Obligation Debt Issuance October 2010

The September 27, 2010 Budget, Finance & Audit Committee meeting agenda includes a briefing on the General Obligation Bond Issuance. Attached is a copy of the briefing.

Please let me know if you need additional information.

A handwritten signature in black ink that reads "Jeanne Chipperfield".

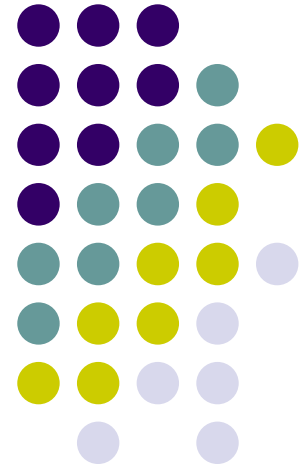
Jeanne Chipperfield
Chief Financial Officer

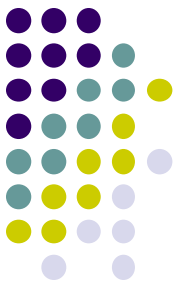
Attachment

c: Honorable Mayor & Members of the City Council
Mary K. Suhm, City Manager
Deborah A. Watkins, City Secretary
Tom P. Perkins, City Attorney
Craig D. Kinton, City Auditor
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Deborah A. Watkins, City Secretary
Frank Libro, Public Information Office
Helena Stevens-Thompson, Assistant to the City Manager

General Obligation Debt Issuance October 2010

Budget, Finance & Audit Committee
September 27, 2010

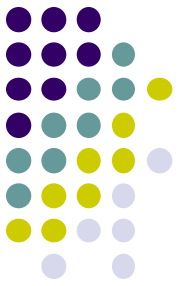




Purpose

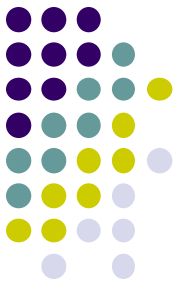
- The purpose of the briefing is to provide information regarding the sales of up to:
 - \$400 million in General Obligation Refunding Bonds
 - \$80 million in Taxable General Obligation Refunding Bonds
 - \$19.34 million in Equipment Acquisition Notes
- Seek recommendation for parameters ordinances for the sales of these obligations on the October 13th City Council Addendum

General Obligation Refunding Bonds



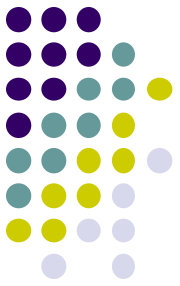
- Bond sale size currently estimated up to \$400 million based on current market conditions
 - Refunding candidates include specified maturities from the following bond issues:
 - General Obligation Bonds (Series 2001, 2003, 2004, 2005, 2006, 2007)
 - Certificates of Obligation (Series 2008)

General Obligation Refunding Bonds



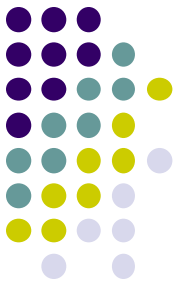
- Minimum total net present value (NPV) savings of \$13.5 million are estimated
 - Exceeds 4.05% NPV savings as a percentage of the bonds being refunded
 - Meets the FMPC criterion of a 4% NPV for advance refunding
- Co-Financial Advisors will continue to monitor the market to ensure feasibility of refunding
 - Refunding may be restructured or deleted based on market conditions prior to November 9th

Taxable General Obligation Refunding Bonds



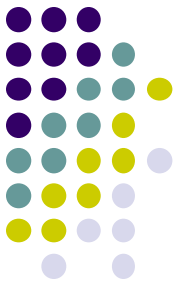
- \$399,347,609 in taxable general obligation pension bonds were issued in February 2005 to partially fund the City's Employee Retirement Fund's unfunded actuarial accrued liability
- Three series of bonds were issued, two of which do not include a call provision
- Series 2005C bonds (\$75 million in principal maturing in February 2024) are callable on any interest payment date after February 15, 2009
- Current market conditions favor a refunding of Series 2005C at this time

Taxable General Obligation Refunding Bonds

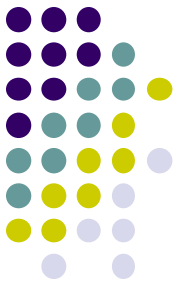


- Series 2005C bonds issued as “step-up coupon bonds”
 - \$75 million in principal maturing on February 15, 2024
 - Mandatory redemption of \$35,350,000 in 2023
 - Interest rates on bonds increase from 5.25% at issuance as follows:
 - 5.50% for interest payments on February 15, 2009 through 2012
 - 6.00% for interest payments on February 15, 2013 through 2015
 - 6.75% for interest payments on February 15, 2016 through 2019
 - 8.00% for interest payments on February 15, 2020 through 2024
- Refunding will establish fixed rate maturities in years 2020 through 2024 at projected interest rates of 3.7% to 4.35%

Taxable General Obligation Refunding Bonds

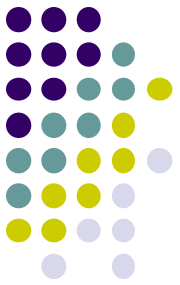


- Based on current interest rates the estimated savings are:
 - Minimum total net present value (NPV) savings of \$14 million are estimated
 - Exceeds 19% NPV savings as a percentage of the bonds being refunded
 - Exceeds the FMPC Criterion of a 4% NPV for advance refunding
- Co-Financial Advisors will continue to monitor the market to ensure feasibility of refunding
 - Refunding may be restructured or deleted based on market conditions prior to November 9th



Equipment Acquisition Notes

- \$19.34 million in Equipment Acquisition Notes will be issued to fund:
 - Court and Detention Services (\$7 million)
 - Court case management system replacement
 - Dallas Fire-Rescue (\$8.35 million)
 - See Appendix for equipment detail
 - Sanitation Services (\$3.985 million)
 - See Appendix for equipment detail
- Purchases included in adopted FY 2010-11 budget



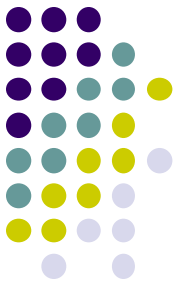
Bond Sale Overview

- The Co-Financial Advisors recommend a negotiated sale due to the issuance of refunding bonds
- In a negotiated sale, the issuer sells bonds to an underwriting syndicate at rates and terms that are “negotiated”
 - Underwriting syndicate is selected in advance of the sale
 - Underwriters price the bonds on the day of the sale based on investor demand
 - Allows for flexibility in the structuring and timing of the sale

Underwriting Syndicate



- On April 21st, City Council approved two underwriting teams for future negotiated sales. Council approval provided that:
 - Team A would underwrite the first negotiated sale, which occurred in June (\$295.85 million Waterworks and Sewer System Revenue Refunding Bonds, Series 2010)
 - Team B would underwrite the second negotiated transaction
 - Bookrunning senior manager position would rotate between national and M/WBE firms
 - Co-senior manager would be the highest ranking national or regional firm if the bookrunning senior manager position is assigned to the M/WBE firm



Underwriting Syndicate

- Team B consists of the following firms:

National

Citigroup Global Markets, Inc.

Wells Fargo Bank, N.A.

Goldman, Sachs & Co.

Regional

Morgan Keegan & Co., Inc.

Piper Jaffray

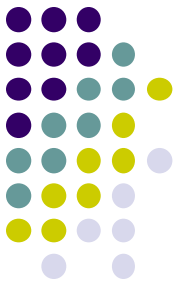
Stifel, Nicolaus & Co., Inc.

MWBE

Loop Capital Markets, LLC

Samuel A. Ramirez & Co.

Jackson Securities, LLC



Underwriting Syndicate

- Team B is proposed to underwrite the bond sales:

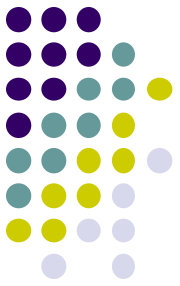
Co-Senior Managers:

Loop Capital Markets, LLC (Bookrunning Senior Manager)
Citigroup Global Markets, Inc.

Co-Managers:

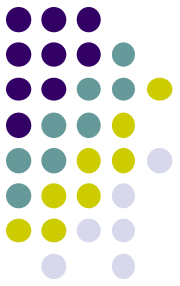
Wells Fargo Bank, N.A.
Goldman, Sachs & Co.
Morgan Keegan & Co., Inc.
Piper Jaffray
Stifel, Nicolaus & Co., Inc.
Samuel A. Ramirez & Co.
Jackson Securities, LLC

Bond Sale Summary



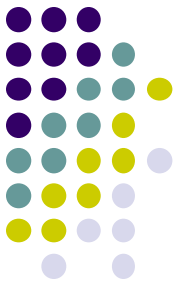
- Proposed bond sales include:
 - General Obligation Refunding Bonds up to \$400 million
 - Taxable General Obligation Refunding Bonds up to \$80 million
 - Equipment Acquisition Notes in the amount of \$19.34 million
- Issuance costs of \$954,170 will be paid from bond proceeds and interest earnings on the notes proceeds (schedule attached)
- Refunding does not extend the maturity of existing debt
- Equipment Acquisition Notes mature over five years

Schedule of Events



October 13	Council approves Parameters Ordinances
October 28	Receive bond ratings
November 1	Preliminary Official Statement Posted to i-Deal
November 9	Pricing
November 10	Execute Bond Purchase Agreements
December 1	Deliver bonds and receive proceeds

Recommendation



- Recommend the approval of parameters ordinances on the October 13th Council Addendum for the sale of up to:
 - \$400 million General Obligation Refunding Bonds, Series 2010C
 - \$80 million General Obligation Refunding Bonds, Taxable Series 2010
 - \$19.34 million Equipment Acquisition Notes, Series 2010

Appendix



Sources and Uses – General Obligation Refunding Bonds – Page 17
Refunding Results - General Obligation Refunding Bonds – Page 18
Savings - General Obligation Refunding Bonds – Page 19
Debt Service Schedule – General Obligation Refunding Bonds – Page 20
Refunding Bond Summary - General Obligation Refunding Bonds – Page 21 and 22
Sources and Uses – Pension Obligation Refunding Bonds – Page 23
Refunding Results - Pension Obligation Refunding Bonds – Page 24
Savings - Pension Obligation Refunding Bonds – Page 25
Debt Service Schedule – Pension Obligation Refunding Bonds – Page 26
Refunding Bond Summary - Pension Obligation Refunding Bonds – Page 27
Sources and Uses – Equipment Acquisition Notes – Page 28
Debt Service Schedule – Equipment Acquisition Notes – Page 29
Equipment Acquisition Notes Summary – Page 30
Estimated Issuance Costs – Page 31

SOURCES AND USES OF FUNDS
***** PRELIMINARY - FOR DISCUSSION PURPOSES ONLY *****

City of Dallas, TX

General Obligation Refunding Bonds, Series 2010

'Aa1/AA+' Rates as of 12:00pm CT, Sept 16, 2010

No Savings in 2011 with Open Market Escrow

Ref All Bonds With Positive Savings

Dated Date 11/1/2010

Delivery

Date 11/18/2010

Sources:

Bond Proceeds:

Par Amount	321,805,000.00
Accrued Interest	759,817.36
Premium	53,102,716.80
	<u>375,667,534.16</u>

Other Sources of Funds:

I&S Fund	64.18
	<u>375,667,598.34</u>

Uses:

Refunding Escrow Deposits:

Cash Deposit	206.16
Open Market Purchases	372,534,623.82
	<u>372,534,829.98</u>

Other Fund Deposits:

Accrued Interest	759,817.36
------------------	------------

Delivery Date Expenses:

Cost of Issuance	600,000.00
Underwriter's Discount	1,769,927.50
	<u>2,369,927.50</u>

Other Uses of Funds:

Additional Proceeds	3,023.50
	<u>375,667,598.34</u>

SUMMARY OF REFUNDING RESULTS
***** PRELIMINARY - FOR DISCUSSION PURPOSES ONLY *****
City of Dallas, TX
General Obligation Refunding Bonds, Series 2010
'Aa1/AA+' Rates as of 12:00pm CT, Sept 16, 2010
No Savings in 2011 with Open Market Escrow
Ref All Bonds With Positive Savings

Dated Date	11/1/2010
Delivery Date	11/18/2010
Arbitrage yield	2.442610%
Escrow yield	0.949270%
Bond Par Amount	321,805,000.00
True Interest Cost	2.732441%
Net Interest Cost	3.023051%
All-In TIC	2.756454%
Average Coupon	5.000000%
Average Life	8.022
Par amount of refunded bonds	336,280,000.00
Average coupon of refunded bonds	4.746113%
Average life of refunded bonds	7.836
PV of prior debt to 11/18/2010 @ 2.756454%	386,155,340.00
Net PV Savings	13,620,510.02
Percentage savings of refunded bonds	4.050348%

SAVINGS

*** PRELIMINARY - FOR DISCUSSION PURPOSES ONLY ***

City of Dallas, TX

General Obligation Refunding Bonds, Series 2010

'Aa1/AA+' Rates as of 12:00pm CT, Sept 16, 2010

No Savings in 2011 with Open Market Escrow

Ref All Bonds With Positive Savings

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Refunding Receipts	Refunding Net Cash Flow	Savings
9/30/2011	15,682,541.26	64.18	15,682,477.08	16,442,294.44	759,817.36	15,682,477.08	0.00
9/30/2012	23,188,366.26		23,188,366.26	22,177,000.00		22,177,000.00	1,011,366.26
9/30/2013	31,822,488.13		31,822,488.13	21,855,000.00		21,855,000.00	9,967,488.13
9/30/2014	33,276,578.75		33,276,578.75	29,762,000.00		29,762,000.00	3,514,578.75
9/30/2015	41,762,122.50		41,762,122.50	41,761,250.00		41,761,250.00	872.50
9/30/2016	51,946,655.00		51,946,655.00	51,941,875.00		51,941,875.00	4,780.00
9/30/2017	41,763,231.25		41,763,231.25	41,760,625.00		41,760,625.00	2,606.25
9/30/2018	30,786,743.75		30,786,743.75	30,785,500.00		30,785,500.00	1,243.75
9/30/2019	28,482,681.25		28,482,681.25	28,477,750.00		28,477,750.00	4,931.25
9/30/2020	43,133,775.00		43,133,775.00	43,129,250.00		43,129,250.00	4,525.00
9/30/2021	35,268,462.50		35,268,462.50	35,268,375.00		35,268,375.00	87.50
9/30/2022	30,480,587.50		30,480,587.50	30,476,000.00		30,476,000.00	4,587.50
9/30/2023	29,164,325.00		29,164,325.00	29,161,500.00		29,161,500.00	2,825.00
9/30/2024	18,938,375.00		18,938,375.00	18,938,375.00		18,938,375.00	
9/30/2025	9,696,500.00		9,696,500.00	9,696,500.00		9,696,500.00	
	465,393,433.15	64.18	465,393,368.97	451,633,294.44	759,817.36	450,873,477.08	14,519,891.89

Savings Summary

Savings PV date	11/18/2010
Savings PV rate	2.756454%
PV of savings from cash flow	13,617,486.52
Plus: Refunding funds on hand	3,023.50

Net PV Savings	13,620,510.02

BOND DEBT SERVICE
***** PRELIMINARY - FOR DISCUSSION PURPOSES ONLY *****

City of Dallas, TX

General Obligation Refunding Bonds, Series 2010

'Aa1/AA+' Rates as of 12:00pm CT, Sept 16, 2010

No Savings in 2011 with Open Market Escrow

Ref All Bonds With Positive Savings

Period Ending	Principal	Coupon	Interest	Debt Service
9/30/2011	3,845,000	5.000%	12,597,294.44	16,442,294.44
9/30/2012	6,440,000	5.000%	15,737,000.00	22,177,000.00
9/30/2013	6,440,000	5.000%	15,415,000.00	21,855,000.00
9/30/2014	14,880,000	5.000%	14,882,000.00	29,762,000.00
9/30/2015	27,950,000	5.000%	13,811,250.00	41,761,250.00
9/30/2016	39,825,000	5.000%	12,116,875.00	51,941,875.00
9/30/2017	31,425,000	5.000%	10,335,625.00	41,760,625.00
9/30/2018	21,780,000	5.000%	9,005,500.00	30,785,500.00
9/30/2019	20,530,000	5.000%	7,947,750.00	28,477,750.00
9/30/2020	36,610,000	5.000%	6,519,250.00	43,129,250.00
9/30/2021	30,425,000	5.000%	4,843,375.00	35,268,375.00
9/30/2022	27,070,000	5.000%	3,406,000.00	30,476,000.00
9/30/2023	27,110,000	5.000%	2,051,500.00	29,161,500.00
9/30/2024	18,015,000	5.000%	923,375.00	18,938,375.00
9/30/2025	9,460,000	5.000%	236,500.00	9,696,500.00
	321,805,000		129,828,294.44	451,633,294.44

SUMMARY OF BONDS REFUNDED
***** PRELIMINARY - FOR DISCUSSION PURPOSES ONLY *****

City of Dallas, TX

General Obligation Refunding Bonds, Series 2010

'Aa1/AA+' Rates as of 12:00pm CT, Sept 16, 2010

No Savings in 2011 with Open Market Escrow

Ref All Bonds With Positive Savings

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
\$64,655,000 General Obligation Bonds, Series 2001:					
TERM	2/15/2021	4.500%	3,400,000.00	2/15/2011	100.000
\$173,370,000 General Obligation Bonds, Series 2003:					
SERIAL	2/15/2013	3.750%	9,125,000.00	2/15/2012	100.000
	2/15/2014	3.750%	9,125,000.00	2/15/2012	100.000
	2/15/2015	4.000%	9,125,000.00	2/15/2012	100.000
	2/15/2016	4.000%	9,125,000.00	2/15/2012	100.000
	2/15/2017	4.250%	9,125,000.00	2/15/2012	100.000
	2/15/2018	4.250%	9,125,000.00	2/15/2012	100.000
	2/15/2019	4.250%	9,125,000.00	2/15/2012	100.000
	2/15/2020	4.500%	9,125,000.00	2/15/2012	100.000
	2/15/2021	4.500%	9,125,000.00	2/15/2012	100.000
	2/15/2022	4.500%	9,125,000.00	2/15/2012	100.000
	2/15/2023	4.500%	9,120,000.00	2/15/2012	100.000
			100,370,000.00		
\$162,580,000 General Obligation Bonds, Series 2004:					
SERIAL	2/15/2012	5.000%	6,390,000.00		
	2/15/2013	5.000%	6,390,000.00		
	2/15/2014	5.000%	8,555,000.00	2/15/2013	100.000
	2/15/2015	4.000%	8,555,000.00	2/15/2013	100.000
	2/15/2016	4.500%	8,555,000.00	2/15/2013	100.000
	2/15/2021	5.000%	8,555,000.00	2/15/2013	100.000
	2/15/2022	5.000%	8,555,000.00	2/15/2013	100.000
	2/15/2023	5.000%	8,555,000.00	2/15/2013	100.000
	2/15/2024	5.000%	8,555,000.00	2/15/2013	100.000
			72,665,000.00		
\$179,810,000 General Obligation Bonds, Series 2005:					
SERIAL	2/15/2015	5.000%	9,465,000.00	2/15/2014	100.000
	2/15/2016	5.000%	9,465,000.00	2/15/2014	100.000
	2/15/2017	5.000%	9,465,000.00	2/15/2014	100.000
	2/15/2020	5.000%	9,465,000.00	2/15/2014	100.000
	2/15/2021	5.000%	9,460,000.00	2/15/2014	100.000
	2/15/2022	5.000%	9,460,000.00	2/15/2014	100.000
	2/15/2023	5.000%	9,460,000.00	2/15/2014	100.000
	2/15/2024	5.000%	9,460,000.00	2/15/2014	100.000
	2/15/2025	5.000%	9,460,000.00	2/15/2014	100.000
			85,160,000.00		
\$221,830,000 General Obligation Bonds, Series 2006:					
SERIAL	2/15/2016	5.000%	11,675,000.00	2/15/2015	100.000
	2/15/2017	5.000%	11,675,000.00	2/15/2015	100.000
	2/15/2018	5.000%	11,675,000.00	2/15/2015	100.000
	2/15/2019	5.000%	11,675,000.00	2/15/2015	100.000
	2/15/2020	4.500%	11,675,000.00	2/15/2015	100.000
			58,375,000.00		

SUMMARY OF BONDS REFUNDED
***** PRELIMINARY - FOR DISCUSSION PURPOSES ONLY *****
City of Dallas, TX
General Obligation Refunding Bonds, Series 2010
'Aa1/AA+' Rates as of 12:00pm CT, Sept 16, 2010
No Savings in 2011 with Open Market Escrow
Ref All Bonds With Positive Savings

\$130,775,000 General Obligation Bonds, Series 2007:						
SERIAL	2/15/2020	5.000%	6,540,000.00	2/15/2017	100.000	
\$40,280,000 Combination Tax and Revenue Certificates of Obligation, Series 2008:						
SERIAL	2/15/2012	3.000%	1,295,000.00	12/20/2010	100.000	
	2/15/2013	3.125%	1,335,000.00	12/20/2010	100.000	
	2/15/2014	3.500%	1,385,000.00	12/20/2010	100.000	
	2/15/2015	3.500%	1,430,000.00	12/20/2010	100.000	
	2/15/2016	3.600%	1,485,000.00	12/20/2010	100.000	
	2/15/2017	4.000%	1,540,000.00	12/20/2010	100.000	
	2/15/2018	5.000%	1,300,000.00	12/20/2010	100.000	
			9,770,000.00			
			336,280,000.00			

SOURCES AND USES OF FUNDS
***** PRELIMINARY FOR DISCUSSION PURPOSES ONLY *****
 City of Dallas, Texas
 Pension Obligation Refunding Bonds, Series 2011 (Taxable)
 Aa1/AA+ Uninsured Rates as of 12:04pm CT, 9/16/10
 Assumes 10 Year Par Call

Dated Date 11/18/2010
 Delivery
 Date 11/18/2010

Sources:

Bond Proceeds:		
	Par Amount	77,880,000.00
Other Sources of Funds:		
	DSF	667.29
		<u>77,880,667.29</u>

Uses:

Refunding Escrow Deposits:		
	PV cost of cashflows	77,062,500.00
Delivery Date Expenses:		
	Cost of Issuance	233,640.00
	Underwriter's Discount	584,100.00
		<u>817,740.00</u>
Other Uses of Funds:		
	Additional Proceeds	427.29
		<u>77,880,667.29</u>

SUMMARY OF REFUNDING RESULTS
***** PRELIMINARY FOR DISCUSSION PURPOSES ONLY *****
City of Dallas, Texas
Pension Obligation Refunding Bonds, Series 2011 (Taxable)
Aa1/AA+ Uninsured Rates as of 12:04pm CT, 9/16/10
Assumes 10 Year Par Call

Dated Date	11/18/2010
Delivery Date	11/18/2010
Arbitrage yield	4.295364%
Escrow yield	
Bond Par Amount	77,880,000.00
True Interest Cost	4.374683%
Net Interest Cost	4.356360%
All-In TIC	4.406620%
Average Coupon	4.296011%
Average Life	12.428
Par amount of refunded bonds	75,000,000.00
Average coupon of refunded bonds	
Average life of refunded bonds	12.770
PV of prior debt to 11/18/2010 @ 4.406620%	91,704,607.69
Net PV Savings	14,642,107.69
Percentage savings of refunded bonds	19.522810%

SAVINGS

*** PRELIMINARY FOR DISCUSSION PURPOSES ONLY ***

City of Dallas, Texas

Pension Obligation Refunding Bonds, Series 2011 (Taxable)

Aa1/AA+ Uninsured Rates as of 12:04pm CT, 9/16/10

Assumes 10 Year Par Call

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings
9/30/2011	4,125,000.00	667.29	4,124,332.71	4,124,332.71	0.00
9/30/2012	4,125,000.00		4,125,000.00	3,271,362.50	853,637.50
9/30/2013	4,312,500.00		4,312,500.00	3,271,362.50	1,041,137.50
9/30/2014	4,500,000.00		4,500,000.00	3,271,362.50	1,228,637.50
9/30/2015	4,500,000.00		4,500,000.00	3,271,362.50	1,228,637.50
9/30/2016	4,781,250.00		4,781,250.00	3,271,362.50	1,509,887.50
9/30/2017	5,062,500.00		5,062,500.00	3,271,362.50	1,791,137.50
9/30/2018	5,062,500.00		5,062,500.00	3,271,362.50	1,791,137.50
9/30/2019	5,062,500.00		5,062,500.00	3,271,362.50	1,791,137.50
9/30/2020	5,531,250.00		5,531,250.00	3,624,702.50	1,906,547.50
9/30/2021	6,000,000.00		6,000,000.00	4,091,042.50	1,908,957.50
9/30/2022	6,000,000.00		6,000,000.00	4,090,678.75	1,909,321.25
9/30/2023	39,936,000.00		39,936,000.00	38,030,815.00	1,905,185.00
9/30/2024	41,236,000.00		41,236,000.00	39,327,157.50	1,908,842.50
	140,234,500.00	667.29	140,233,832.71	119,459,628.96	20,774,203.75

Savings Summary

Savings PV date	11/18/2010
Savings PV rate	4.406620%
PV of savings from cash flow	14,641,680.40
Plus: Refunding funds on hand	427.29

Net PV Savings	14,642,107.69

BOND DEBT SERVICE
***** PRELIMINARY FOR DISCUSSION PURPOSES ONLY *****
City of Dallas, Texas
Pension Obligation Refunding Bonds, Series 2011 (Taxable)
Aa1/AA+ Uninsured Rates as of 12:04pm CT, 9/16/10
Assumes 10 Year Par Call

Period Ending	Principal	Coupon	Interest	Debt Service
9/30/2011	1,695,000	0.750%	2,429,332.71	4,124,332.71
9/30/2012			3,271,362.50	3,271,362.50
9/30/2013			3,271,362.50	3,271,362.50
9/30/2014			3,271,362.50	3,271,362.50
9/30/2015			3,271,362.50	3,271,362.50
9/30/2016			3,271,362.50	3,271,362.50
9/30/2017			3,271,362.50	3,271,362.50
9/30/2018			3,271,362.50	3,271,362.50
9/30/2019			3,271,362.50	3,271,362.50
9/30/2020	360,000	3.700%	3,264,702.50	3,624,702.50
9/30/2021	850,000	4.000%	3,241,042.50	4,091,042.50
9/30/2022	885,000	4.150%	3,205,678.75	4,090,678.75
9/30/2023	35,600,000	4.250%	2,430,815.00	38,030,815.00
9/30/2024	38,490,000	4.350%	837,157.50	39,327,157.50
	77,880,000		41,579,628.96	119,459,628.96

SUMMARY OF BONDS REFUNDED

***** PRELIMINARY FOR DISCUSSION PURPOSES ONLY *****

City of Dallas, Texas

Pension Obligation Refunding Bonds, Series 2011 (Taxable)

Aa1/AA+ Uninsured Rates as of 12:04pm CT, 9/16/10

Assumes 10 Year Par Call

	Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
\$75,000,000	Taxable General Obligation Pension Bonds, Series 2005C (Step-up), 2005C:					
	SERIAL	2/15/2023		35,350,000.00	2/15/2011	100.000
		2/15/2024		39,650,000.00	2/15/2011	100.000
				75,000,000.00		

SOURCES AND USES OF FUNDS

General Obligation

City of Dallas, Texas Equipment Acquisition Contractual Obligations, Series 2010

Dated Date 11/1/2010

Delivery

Date 11/18/2010

Sources:	Sanitation Services Equipment	Court and Detention Equipment	Fire Equipment	Total
Bond Proceeds:				
Par Amount	3,880,000.00	6,765,000.00	8,075,000.00	18,720,000.00
Accrued Interest	4,030.42	7,187.22	8,577.92	19,795.56
Premium	140,884.40	287,221.75	342,780.00	770,886.15
	<u>4,024,914.82</u>	<u>7,059,408.97</u>	<u>8,426,357.92</u>	<u>19,510,681.71</u>

Uses:	Equipment Notes - Sanitary System Projects	Equipment Notes - Court Projects	Equipment Notes - Fire Dept Projects	Total
Project Fund Deposits:				
Project Fund	3,985,000.00	7,000,000.00	8,350,000.00	19,335,000.00
Other Fund Deposits:				
Accrued Interest	4,030.42	7,187.22	8,577.92	19,795.56
Delivery Date Expenses:				
Underwriter's Discount	21,340.00	37,207.50	44,412.50	102,960.00
Cost of Issuance	10,363.25	18,068.91	21,567.84	50,000.00
	<u>31,703.25</u>	<u>55,276.41</u>	<u>65,980.34</u>	<u>152,960.00</u>
Other Uses of Funds:				
Additional Proceeds	4,181.15	-3,054.66	1,799.66	2,926.15
	<u>4,024,914.82</u>	<u>7,059,408.97</u>	<u>8,426,357.92</u>	<u>19,510,681.71</u>

BOND DEBT SERVICE
General Obligation
City of Dallas, Texas Equipment Acquisition Contractual Obligations, Series 2010

<u>Period Ending</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>
9/30/2011	780,000	2.000%	330,702.23	1,110,702.23
9/30/2012	4,490,000	2.000%	403,600.00	4,893,600.00
9/30/2013	4,485,000	2.000%	313,800.00	4,798,800.00
9/30/2014	4,485,000	2.000%	224,100.00	4,709,100.00
9/30/2015	4,480,000	3.000%	134,400.00	4,614,400.00
	18,720,000		1,406,602.23	20,126,602.23

FY 2010-11 Equipment Acquisition Notes Summary

Equipment Acquisition Notes

Fire & Rescue Department

Fire Engines (8 units)	\$4,192,800
Quint Engine (1 unit)	\$813,750
Aerial Trucks (3 units)	\$2,899,050
Battalion Vehicles (3 units)	\$146,130
EMS SDO Vehicles (2 units)	\$85,000
Ford Escapes (8 units)	\$176,400
Arson Vehicle (1 unit)	\$31,175
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	\$8,344,305

Court and Detention Services

Court Case Management System	\$7,000,000
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Sanitation Services

Rotobooms (7 units)	\$606,940
Transfer Trucks & Trailers (7 units)	\$710,692
Box Vans (2 units)	\$80,000
Pick Up Trucks (7 unit)	\$123,960
Broom Trucks (3 unit)	\$362,154
Light Plants (2 unit)	\$22,000
Skid Steer Sweeper (1 unit)	\$50,000
Stationary Knuckle Brooms (1 unit)	\$170,000
Dozer (1 unit)	\$586,743
Wheel Loader (1 unit)	\$715,800
Articulating Dump Truck (1 unit)	\$555,660
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	\$3,983,949

Total Equipment Acquisition Notes

\$19,328,254

Estimated Issuance Costs

	General Obligation Refunding	Pension Obligation Refunding	Equipment Acquisition Notes	Total Issuance Costs
Co-Bond Counsel				
Vinson and Elkins L.L.P.	\$ 200,000	\$ 40,000	\$ 15,000	\$ 255,000
West & Associates L.L.P.*	92,123	18,425	4,452	115,000
Co-Financial Advisors				
First Southwest Company	157,200	42,000	17,601	216,801
Estrada Hinojosa*	104,800	28,000	11,734	144,534
Official Statement Printing				
TBD	8,011	1,602	387	10,000
Structuring fees				
First Southwest Company	48,000	-	-	48,000
Estrada Hinojosa*	12,000	-	-	12,000
Rating Agencies				
Moody's Investors Service	53,575	10,715	2,590	66,880
Standard & Poor's	38,415	7,683	1,857	47,955
External Auditor				
Grant Thornton L.L.P.	7,610	1,522	368	9,500
Filing Fee				
Attorney General	9,500	9,500	9,500	28,500
Total Issuance Costs	\$ 731,234	\$ 159,447	\$ 63,489	\$ 954,170

*Total M/WBE Participation as % of Total Issuance Costs: 28.46%