

FY2006 ANNUAL FINANCING PLAN

The FY2006 Annual Financing Plan (AFP) is a schedule of the sale of City bonds, notes and other financings expected in FY2006. The AFP lists the projected amount of issuance, the timing of the sale, the security for the issue, the issue type (a new issue, redemption or refunding) and the method of sale.

In FY2006, seven issues are being planned (separate or combined) along with a continued issuance of the four commercial paper programs for a total ranging from \$1.3 billion to \$1.7 billion. The uses for the proceeds from the debt issuances include capital improvements, equipment purchases, and cash flow needs. Most of these debt issuances are for implementation of the capital improvement plan for airport facilities, the Combined Utility System, streets and bridges, and various other public facilities.

As the name expresses, the AFP is a plan. The timing and amounts of the sale may vary, but the stated programs will generally be carried out within the parameters cited. The FY2006 AFP is outlined below.

Issue	Notes	Planned Issue Size (\$Millions)	Timing of Sale Fiscal Year Basis	Security for Issue	Issue Type	Planned Method of Sale
Airport System Commercial Paper	(1)	100-150	As needed	System Revenues	New	Negotiated
Combined Utility System Commercial Paper	(1)	280-300	As needed	System Revenues	New	Negotiated
Convention & Entertainment Facilities Commercial Paper	(1)	10-20	As needed	System Revenues	New	Negotiated
General Obligation Commercial Paper	(1)	100-160	As needed	System Revenues	New	Negotiated
Airport System Revenue Bonds	(2) (3)	125-150	4th Qtr	System Revenues	New/Refunding	Negotiated
Combined Utility System Bonds	(2) (3)	200-225	3rd and/or 4th Qtr	System Revenues	New/Refunding	Negotiated
Certificates of Obligation	(5)	50-60	1st Qtr	Tax Revenue and other G.F. Revenue	New	Competitive/ Negotiated
Pension Bonds	(2) (3)	68-75	3rd	Tax Revenue and other G.F. Revenue	New	Negotiated
Public Improvement Refunding Bonds	(2) (3) (4)	150-225	4th Qtr	Tax Revenue and other G.F. Revenue	New/Refunding	Competitive/ Negotiated
Tax and Revenue Anticipation Notes	(3)	175-250	1st and/or 2nd Qtr	Tax Revenue and other G.F. Revenue	New	Competitive/ Negotiated
Tax Notes	(6)	45-50	1st Qtr	Tax Revenue and other G.F. Revenue	New/Refunding	Competitive/ Negotiated

NOTES:

- (1) Will be sold whenever needed in FY2006.
- (2) New money and/or current refunding bonds as a result of taking out commercial paper.
- (3) Depending on market conditions and operational considerations, these issues could be sold as either fixed or variable rate bonds on a negotiated or competitive basis.
- (4) Includes Judgment Bonds..
- (5) Includes funding for Demolition of Dangerous Buildings and refunding of Houston Emergency Center.
- (6) Electricity prepayment.