



AGENDA MEMORANDUM

Future Item for the City Council Meeting of May 14, 2013
Action Item for the City Council Meeting of May 28, 2013

DATE: May 14, 2013

TO: Ronald L. Olson, City Manager

FROM: Constance P. Sanchez, Director of Financial Services
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Approval of Financial Underwriters for Issuing Bonds

CAPTION:

Motion approving authorized list of financial underwriters.

PURPOSE:

The purpose of this agenda item is to approve a list of financial underwriters to be used whenever the City of Corpus Christi issues bonds. Use of the underwriters will be on a rotational basis.

BACKGROUND AND FINDINGS:

The City of Corpus Christi issued a Request for Qualifications (RFQ) to provide financial underwriting services. Twenty-three responses were received. The responses were reviewed and categorized by the City's financial advisor, Mark Seal with M. E. Allison and Company, Inc. and the Director of Financial Services. All firms are being recommended to be included as authorized underwriters for the City of Corpus Christi, and this list of authorized underwriters is being submitted to the City Council for approval.

In the event a firm approaches the City with an offer of a unique type of service or product or with an opportunity to restructure our debt with an exceptional savings, but the firm is not on the approved list, upon verification of qualification, staff will bring before the City Council a recommendation to add that firm to the authorized list of financial underwriters.

ALTERNATIVES:

As an alternative to having one authorized list of underwriters, City staff could solicit for underwriters prior to each bond issuance. However, this would be a duplicative effort on

the part of both the City and the underwriters since we could potentially be issuing several similar RFQ's each fiscal year. It is more efficient to do it once, and then rotate the use of the firms.

OTHER CONSIDERATIONS:

The City has historically issued a RFQ for financial underwriting services every three years. If significant changes occur with the firms on the list, the City may issue the RFQ on a more frequent basis. It should also be noted that firms having a local presence is an important consideration. Although no firms have bond underwriting desks in Corpus Christi, six of the twenty-three firms on the attached list of underwriters have retail offices in Corpus Christi.

CONFORMITY TO CITY POLICY:

This item conforms to City policy.

EMERGENCY / NON-EMERGENCY:

Not applicable

DEPARTMENTAL CLEARANCES:

- Financial Services Department

FINANCIAL IMPACT:

Not Applicable Operating Expense Revenue CIP

FISCAL YEAR:	Project to Date Exp. (CIP Only)	Current Year	Future Years	TOTALS
Budget	-	-	-	-
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	-	-	-
BALANCE	-	-	-	-
FUND(S):				

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

List of Financial Underwriters