



## **AGENDA MEMORANDUM**

Future Item for the City Council Meeting of November 11, 2014  
Action Item for the City Council Meeting of November 18, 2014

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**DATE:** November 11, 2014

**TO:** Ronald L. Olson, City Manager

**FROM:** Constance P. Sanchez, Director of Financial Services  
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(361) 826-3227

<p>Appointment of Financial Advisor for Utility System Revenue Bond Sale and for Utility System Revenue Refunding Bond Sale</p>
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### **CAPTION:**

Motion authorizing the appointment of M. E. Allison, & Co., as Financial Advisor for one or more series of City of Corpus Christi, Texas Utility System Junior Lien Revenue Improvement Bonds (fixed rate and/or variable rate) in an aggregate principal amount not to exceed \$115,000,000; and for one or more series of City of Corpus Christi, Texas Junior Lien Revenue Refunding Bonds in an amount not to exceed \$166,240,000.

### **PURPOSE:**

The City plans on issuing up to \$115,000,000 of Utility System Revenue Bonds to fund utility projects outlined in Year 1 of the Fiscal Year 2015 Capital Improvement Plan and plans on refunding any callable, outstanding Utility System Revenue Bonds for savings. Currently, there is potentially over \$160,000,000 of outstanding utility revenue bonds that may be considered.

### **BACKGROUND AND FINDINGS:**

Issuance of bonds requires utilization of a financing team which is made up of three parts: the financial advisor, bond counsel, and the underwriting syndicate. This agenda item authorizes the appointment of M. E. Allison & Co., Inc. as financial advisor for these transactions. See Exhibit A for the Financial Advisor's fee schedule.

Fulbright & Jaworski L.L.P. is currently under contract with the City to serve as the City's bond counsel and will serve as the second part of our financing team. The third part of the financing team is the underwriters, and selection of the syndicate of underwriters from the City's pool of approved underwriters is being recommended for delegation to the City Manager, Deputy City Manager, Assistant City Manager for General Government and Operations Support, and Director of Financial Services.

**ALTERNATIVES:** n/a

**OTHER CONSIDERATIONS:** n/a

**CONFORMITY TO CITY POLICY:**

This item conforms to City policy.

**EMERGENCY / NON-EMERGENCY:** n/a

**DEPARTMENTAL CLEARANCES:**

- Bond Counsel
- Legal Department

**FINANCIAL IMPACT:**

Not Applicable     Operating Expense     Revenue     CIP

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

**COMMENTS:** n/a

**RECOMMENDATION:**

Staff recommends approval of the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Exhibit A – Financial Advisor Fee Schedule