



AGENDA MEMORANDUM

Future Item for the City Council Meeting of December 13, 2016
Action Item for the City Council Meeting of December 20, 2016

DATE: December 2, 2016

TO: Margie C. Rose, City Manager

FROM: Constance P. Sanchez, Director of Financial Services
ConstanceP@cctexas.com
(361) 826-3227

<p>Appointment of Financial Advisor for Issuance of Utility System Revenue Refunding Bonds</p>
--

CAPTION:

Motion authorizing the appointment of and approving the contract for M. E. Allison, & Co., as Financial Advisor for the issuance of the "City of Corpus Christi, Texas Utility System Junior Lien Revenue Refunding Bonds, Series 2017", in an amount not to exceed \$51,300,000.

PURPOSE:

The City plans on refunding City of Corpus Christi, Texas Utility System Variable Rate Junior Lien Revenue Improvement Bonds originally issued to pay a portion of the costs of construction of Mary Rhodes Pipeline, Phase II, with City-issued refunding bonds to be purchased by the Texas Water Development Board through its Drinking Water State Revolving Fund in an amount not to exceed \$51,300,000 (which includes the Texas Water Development Board's bond origination fees and other costs of issuance, as well as the amount necessary to repay the original bonds).

BACKGROUND AND FINDINGS:

Issuance of bonds requires utilization of a financing team which is usually 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 this transaction and approves the contract for the transaction. See the Financial Advisor's contract.

Norton Rose Fulbright US LLP 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. Since these bonds will be purchased by the Texas Water Development Board, no underwriters will be needed for this transaction.

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
- City Attorney's Office

FINANCIAL IMPACT:

X 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): CIP Funds				

COMMENTS: n/a

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Financial Advisor Contract
Form 1295