



City of Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Minutes

Special City Council Meeting

Tuesday, November 14, 2017

9:00 AM

Council Chambers

SPECIAL CITY COUNCIL MEETING

Public Notice - - THE USE OF CELLULAR PHONES AND SOUND ACTIVATED PAGERS ARE PROHIBITED IN THE CITY COUNCIL CHAMBERS DURING MEETINGS OF THE CITY COUNCIL.

A. Mayor Joe McComb to call the meeting to order.

Mayor McComb called the meeting to order at 9:02 a.m.

B. City Secretary Rebecca Huerta to call the roll of the required Charter Officers.

City Secretary Rebecca L. Huerta called the roll and verified that a quorum of the City Council and the required Charter Officers were present to conduct the meeting.

(Council Members Guajardo and Lindsey-Opel arrived at 9:03 a.m.)

Present 9 - Mayor Joe McComb, Council Member Rudy Garza, Council Member Paulette Guajardo, Council Member Michael Hunter, Council Member Debbie Lindsey-Opel, Council Member Ben Molina, Council Member Lucy Rubio, Council Member Greg Smith, and Council Member Carolyn Vaughn

C. PUBLIC INTERVIEWS FOR FINANCIAL ADVISOR FINALISTS

Mayor McComb stated that the purpose of this meeting is to allow the City Council to conduct public interviews with the two finalists for the financial advisor services agreement.

City Secretary Rebecca L. Huerta outlined the structure of the interview process. The first firm, Estrada Hinojosa Investment Bankers, will be interviewed from 9:00 a.m. to 9:50 a.m. The firm will have 15 minutes to make a presentation. There will be a 30-minute question-and-answer period during which council members will ask five questions and the firm will have three minutes to respond to each question. Each firm will be allowed a five-minute closing statement.

The presentation team for Estrada Hinojosa Investment Bankers included: President/CEO Noe Hinojosa, Managing Director Paul Jack, and Senior Vice President Tania Askins. The following information was presented: the firm's experience and credentials; a location map of the firm's offices; a list of recognition awards by the industry; length of service with the municipalities served; the firm's quantitative capabilities; a summary of Corpus Christi's current outstanding general obligation (GO) debt; an example of a callable

analysis; an analysis of utility system debt and callable status; the framework for strategic financial planning; the City's rating analysis and observations; and a comparison of Corpus Christi to other Texas cities.

The presentation team provided responses to the following council member questions: 1) Are there any conflicts of interest that need to be disclosed regarding any companies that you do business with currently; 2) What can the City do to maintain or improve its bond rating and what is the impact of a credit rating change; 3) How much will you be charging to be the financial advisor: flat fee, commission, profit, or commission from profit; 4) How would the City Council utilize leverage capacity to strategically execute the City's long-term vision; and 5) What other cities do you operate in and what makes your firm unique. After the question-and-answer process, council members and the presentation team discussed the following topics: what separates Estrada Hinojosa from its' competitors regarding response time during market shifts, credit rating changes, interest rate changes, and legislative changes; communications between the City Council, staff and the firm; and recommendations for different methods of handling cash-on-hand, fund balances or reserves in the event of a disaster.

Mr. Jack closed the interview by thanking the City Council for the opportunity and highlighting the reasons the City Council should choose Estrada Hinojosa including: the experience of the firm and team, the firm's understanding and commitment to Corpus Christi, the firm's knowledge of the community; and innovative thinking.

In response to Mayor McComb, City Attorney Miles K. Risley provided a legal opinion on the reasons the interview process could not be conducted in executive session.

City Secretary Rebecca L. Huerta outlined the structure of the interview for the second firm, FirstSouthwest and stated that the interview would take place from 10:00 a.m. to 10:50 a.m.

The presentation team for FirstSouthwest included: Regional Managing Director Anne Burger Entekin, Regional Managing Director Richard Ramirez, Director Tina Arias Peterman, and Director Angela Kukoda. The following information was presented: the team's experience; the firm's local presence and community involvement; the firm's background, qualifications and municipal finance experience; the firm's national and state financial advisory rankings; the firm's experience with other comparable cities; innovation and national recognition; the City's infrastructure challenges, including water and wastewater system needs; economic tools utilized; recent hotel and conference center project experience; public/private partnerships (P3); the firm's account coverage philosophy and scope of services; an understanding of the City's goals and objectives; quantitative experience and capabilities; and an analysis of the City's refunding opportunities.

After the presentation, the team provided responses to the following council member questions: 1) What other cities do you operate in and what makes your firm unique; 2) How would the City Council utilize leverage capacity to strategically execute the City's long-term vision; 3) How much will you be charging to be the financial advisor: flat fee, commission, profit, or commission from profit; 4) What can the City do to maintain or improve its bond rating and

what is the impact of a credit rating change; and 5) Are there any conflicts of interest that need to be disclosed regarding any companies that you do business with currently. After the question-and-answer process, council members and the presentation team discussed the following topics: the first recommendation to the City to improve its financial situation; addressing long-term obligations, including pension; current work with other cities; P3 considerations; review of the capital improvement program; whether the firm has any employees located in Corpus Christi; and response time during natural disasters.

Ms. Entrekin expressed appreciation for the opportunity to present at today's meeting and stated that FirstSouthwest would be honored to work with the City of Corpus Christi. Ms. Entrekin stated that the message is to work together to implement the City's vision by planning, being proactive, innovative and strategic.

Mayor McComb called for a recess at 10:52 a.m.

D. REGULAR AGENDA: (ITEM 1)

1. Service Agreement for Financial Advisor Services for a One-Year Not-To-Exceed Amount of \$171,000.00 With Four One-Year Options for a Potential Not-To-Exceed Amount of \$870,000.00

Motion authorizing the City Manager or designee to execute a service agreement with FirstSouthwest, a Division of Hilltop Securities, Inc., Dallas, Texas for financial advisor services for the Finance Department, in accordance with RFP No. 1306, based on the best value proposal. The agreement will be for a not-to-exceed amount of \$171,000.00, which will be funded in FY2017-2018 primarily from bond proceeds. The term of the agreement is for one year, with four one-year options subject to the sole discretion of the City, with a total potential multi-year not-to-exceed amount of \$870,000.00.

Mayor McComb reconvened the Council meeting at 11:01 a.m. and referred to Item 1. Mayor McComb stated that the purpose of this item is to select a financial advisor.

Council Member Smith made a motion authorizing the City Manager or designee to execute a service agreement with Estrada Hinojosa Investment Bankers for financial advisor services for the Finance Department, seconded by Council Member Guajardo. This Motion was passed and approved with the following vote:

Aye: 8 - Mayor McComb, Council Member Garza, Council Member Guajardo, Council Member Hunter, Council Member Lindsey-Opel, Council Member Rubio, Council Member Smith, and Council Member Vaughn

Absent: 1 - Council Member Molina

Abstained: 0

Enactment No: M2017-180

E. ADJOURNMENT

The meeting was adjourned at 11:09 a.m.