



AGENDA MEMORANDUM

Action Item for the City Council Meeting May 12, 2020

DATE: May 12, 2020

TO: Peter Zaroni, City Manager

FROM: Heather Hurlbert, Director of Finance
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Financial Underwriting Services

CAPTION:

Resolution approving a pool of financial underwriters to be used on as needed rotational basis for five years for issuance of bonds with compensation to firms through the bond proceeds at the time of sale.

SUMMARY:

This motion authorizes a list of financial underwriters for use in bond issuances.

BACKGROUND AND FINDINGS:

Underwriting firms provide debt underwriting services, including but not limited to assisting in the structuring of financing transactions to minimize the authority's overall cost of funds, developing and coordinating marketing efforts for the bond issuance, managing the sale of bonds, including directing the underwriting syndicate and running the books during the pricing, and assisting in the preparation of the preliminary and final official statements.

The Contracts and Procurement Department conducted a Request for Qualifications (RFQ) process to obtain qualified firms for underwriting services. The City received 27 responsive, responsible responses. The responses were reviewed and categorized by the evaluation committee comprised of three members - including two representatives from the Finance Department and one representative from the City's financial advisor, Estrada Hinojosa. Twenty-six (26) 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 qualifications, 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 rotate the use of the firms.

FINANCIAL IMPACT:

The funding for these contracts will be provided from bond proceeds for the general obligation, revenue and refunding bond sales.

Funding Detail:

Fund:	N/A
Organization/Activity:	N/A
Mission Element:	N/A
Project # (CIP Only):	N/A
Account:	N/A

RECOMMENDATION:

Staff recommends approval of the resolution as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution
List of Financial Underwriters
Evaluation Matrix