

AN ORDINANCE 2020-02-20-0110

APPROVING AMENDMENT NO. 2 TO THE CITY OF SAN ANTONIO FINANCIAL ADVISOR SERVICES CONTRACTS WITH FHN FINANCIAL MUNICIPAL ADVISORS AND HILLTOP SECURITIES, INC. TO (1) EXTEND THE TERM OF EACH CONTRACT FOR A TERM THAT WILL END MARCH 31, 2021, AND (2) PROVIDE THAT EACH FIRM WILL RECEIVE FIFTY PERCENT (50%) OF THE COMPENSATION DUE AND OWING UNDER THE CONTRACTS.

* * * * *

WHEREAS, pursuant to Ordinance No. 2016-04-14-0289, passed and approved April 14, 2016, the City and Coastal Securities, Inc. (“Coastal”) entered into that certain *City Of San Antonio Financial Advisor Services Contract* (“Coastal Contract”) under which Coastal served as Financial Advisor or Co-Financial Advisor to City in connection with financing capital improvements and other projects through the potential issuance of certain financial obligations; and

WHEREAS, pursuant to Ordinance No. 2017-03-30-0188, passed and approved March 30, 2017, the City gave its consent to the transfer of all right, title and interest of Coastal in and to the Coastal Contract to **FTN FINANCIAL MUNICIPAL ADVISORS** (hereinafter referred to as “FTN”); and

WHEREAS, on October 25, 2019, FTN changed its name to **FHN FINANCIAL MUNICIPAL ADVISORS** (“FHN”) and is currently doing business under that name; and

WHEREAS, since such consent by the City, FHN has served and is currently serving as Financial Advisor or Co-Financial Advisor to City in connection with financing capital improvements and other projects through the potential issuance of certain financial obligations; and

WHEREAS, the Coastal Contract is hereafter referred to as the “FHN Contract”; and

WHEREAS, pursuant to Ordinance No. 2016-04-14-0290, passed and approved April 14, 2016, the City and **HILLTOP SECURITIES, INC.** (“Hilltop”) have heretofore entered into that certain *City Of San Antonio Financial Advisor Services Contract* (“Hilltop Contract”) under which Hilltop serves as Financial Advisor or Co-Financial Advisor to City in connection with financing capital improvements and other projects through the potential issuance of certain financial obligations; and

WHEREAS, the initial term of both the FHN Contract and the Hilltop Contract, as provided in **ARTICLE III. TERM**, Section 3.1 of each Contract, commenced on April 25, 2016, and terminated on March 31, 2019; and

WHEREAS, pursuant to Ordinance No. 2019-05-16-0403, passed and approved May 16, 2019, Amendment 1 to the FHN Contract and Amendment 1 to the Hilltop Contract were both ratified, and the term of the FHN Contract and the Hilltop Contract was extended to December 31, 2019; and

WHEREAS, the City and FHN now desire to amend the FHN Contract to provide that the term of the Contract will be extended for a term commencing January 1, 2020 and ending March 31, 2021; and

WHEREAS, the City and FHN now desire to further amend the FHN Contract to provide that during the extended term of the FHN Contract, FHN will receive fifty percent (50%) of the compensation paid by City under both the FHN Contract and the Hilltop Contract; and

WHEREAS, the City and Hilltop now desire to amend the Hilltop Contract to provide that the term of the Hilltop Contract will be extended for a term commencing January 1, 2020 and ending March 31, 2021; and

WHEREAS, the City and Hilltop now desire to further amend the Hilltop Contract to provide that during the extended term of the Hilltop Contract, Hilltop will receive fifty percent (50%) of the compensation paid by City under both the Hilltop Contract and the FHN Contract; and

WHEREAS, City Staff has recommended to the City Council that the FHN Contract and the Hilltop Contract be amended and extended in the manner described above; and

WHEREAS, following discussion and deliberations by the City Council on the matter, the City Council is of the opinion that the recommendation of City Staff should be accepted and followed; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The amendment and extension of the FHN Contract to provide that (i) its term will be extended for a term beginning January 1, 2020 and ending March 31, 2021, and (ii) during the extended term of the FHN Contract, FHN will receive fifty percent (50%) of the compensation paid by City under both the FHN Contract and the Hilltop Contract, is hereby approved. A true and correct copy of that certain *Amendment No. 2 To Financial Advisor Services Contract* ("FHN Amendment") between the City and FHN is attached hereto and incorporated herein for all purposes as **Attachment I**. The City Manager or his Designee, or the Chief Financial Officer (CFO) or his Designee, are hereby authorized to execute the FTN Amendment containing the same or substantially the same terms and conditions as those set forth in **Attachment I**.

SECTION 2. The amendment and extension of the Hilltop Contract to provide that (i) its term will be extended for a term beginning January 1, 2020 and ending March 31, 2021, and (ii) during

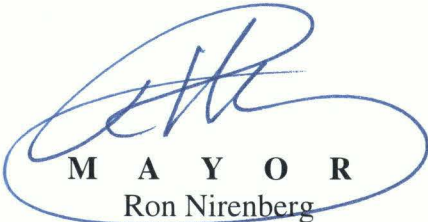
the extended term of the FHN Contract, FHN will receive fifty percent (50%) of the compensation paid by City under both the FHN Contract and the Hilltop Contract, is hereby approved. A true and correct copy of that certain *Amendment No. 2 To Financial Advisor Services Contract* (“Hilltop Amendment”) between the City and Hilltop is attached hereto and incorporated herein for all purposes as **Attachment II**. The City Manager or his Designee, or the Chief Financial Officer (CFO) or his Designee, are hereby authorized to execute the Hilltop Amendment containing the same or substantially the same terms and conditions as those set forth in **Attachment II**.

SECTION 3. All actions taken on behalf of the City, and all services provided by FHN under, the FHN Contract from January 1, 2020 through the date of this Ordinance are hereby ratified and confirmed in all things. All actions taken on behalf of the City, and all services provided by Hilltop under, the Hilltop Contract from January 1, 2020 through the date of this Ordinance are hereby ratified and confirmed in all things.

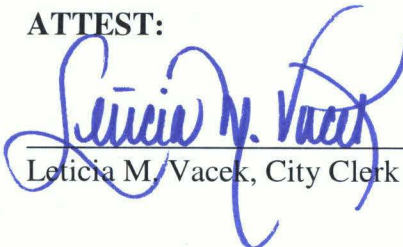
SECTION 4. The City’s Financial Advisors are paid from the proceeds derived from the issuance of obligations and other financings; therefore, there is no impact on the City’s operating budget and no financial language is required for this ordinance.

SECTION 5. This Ordinance is effective immediately upon the receipt of eight (8) affirmative votes; otherwise, it is effective ten (10) days after passage.

PASSED AND APPROVED this 20th day of February 2020.



M A Y O R
Ron Nirenberg

ATTEST:



Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:



Andrew Segovia, City Attorney



City of San Antonio

City Council

February 20, 2020

Item: 20

Enactment Number:

File Number: 20-1954

2020-02-20-0110

Ordinance approving the ratification of the Second Amendment and Extension of the City of San Antonio Financial Advisor Services contracts with FHN Financial Municipal Advisors and Hilltop Securities, Inc. for a term to expire on March 31, 2021. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Councilmember Roberto C. Treviño made a motion to adopt. Councilmember Jada Andrews-Sullivan seconded the motion. The motion passed by the following vote:

Aye: 10 Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia,
Cabello Havrda, Sandoval, Pelaez, Courage and Perry

Absent: 1 Gonzales

RKN
02/20/20
Item No. 20

A T T A C H M E N T I

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

**AMENDMENT NO. 2 TO CITY OF SAN ANTONIO
FINANCIAL ADVISOR SERVICES CONTRACT**

This *Amendment No. 2 To City of San Antonio Financial Advisor Services Contract* (“Amendment 2”) is entered into by and between the **CITY OF SAN ANTONIO, TEXAS**, (hereinafter referred to as “City”) a Texas Home-Rule Municipal Corporation, acting by and through its Chief Financial Officer, and **FHN FINANCIAL MUNICIPAL ADVISORS**, a division of First Horizon Bank(hereinafter referred to as “Firm”), a bank chartered under the laws of the State of _____, acting by and through its representative, Rogelio Rodriguez, its Senior Vice President . Firm was formerly known as **FTN FINANCIAL MUNICIPAL ADVISORS**. City and Firm are sometimes hereafter collectively referred to as the “Parties”.

WHEREAS, the City and **COASTAL SECURITIES, INC.** (“Coastal”) heretofore entered into that certain *City of San Antonio Financial Advisor Services Contract* (“Contract”) under which Coastal served as Financial Advisor or Co-Financial Advisor to the City in connection with financing capital improvements and other projects through the potential issuance of certain financial obligations; and

WHEREAS, the initial term of the Contract, as provided in **ARTICLE III. TERM**, Section 3.1 of the Contract, commenced on April 25, 2016, and terminated on March 31, 2019; and

WHEREAS, pursuant to Ordinance No. 2017-03-30-0188, passed and approved March 30, 2017, the City gave its consent to the transfer of all right, title and interest of Coastal in and to the Contract to the Firm; and

WHEREAS, pursuant to that certain *Amendment No. 1 To City of San Antonio Financial Advisor Services Contract* (“Amendment 1”) under which **ARTICLE III. TERM**, Section 3.1 of the Contract was amended to extend the term of the Contract for a term commencing April 1, 2019 and ending December 31, 2019; and

WHEREAS, the Parties now desire to amend **ARTICLE III. TERM**, Section 3.1 of the Contract to provide that the term of the Contract will be extended for a term commencing January 1, 2020 and ending March 31, 2021; and

WHEREAS, the Parties also desire to amend **ARTICLE IV. CONSIDERATION**, Section 4.1 of the Contract to provide that the compensation paid to Firm by City during this extended term shall be fifty percent (50%) of the applicable fee set forth in Sections 4.2 through 4.11, inclusive, of the Contract, plus reimbursement for expenses incurred by Firm on behalf of the City, at City's instruction, and not provided for in the Contract.

WHEREAS, the Parties further desire to execute this Amendment 2 to memorialize and evidence the extension of the term of the Contract as provided above; **NOW, THEREFORE:**

FOR A GOOD AND VALUABLE CONSIDERATION OF THE OBLIGATIONS AND UNDERTAKINGS OF EACH OF THE PARTIES TO THE OTHER, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

I. AMENDMENT OF CONTRACT

1.1 **ARTICLE III. TERM**, Section 3.1 of the Contract is hereby amended so that it shall hereafter read as follows:

“This **CONTRACT** shall commence on January 1, 2020, and shall terminate on March 31, 2021, unless extension or earlier termination shall occur pursuant to any of the provisions of the Contract.”

1.2 **ARTICLE IV. TERM**, Section 4.1 of the Contract is hereby amended so that it shall hereafter read as follows:

“Subject to subsections 4.2 through 4.6, in consideration for the performance of services provided for in Articles I and II by Firm, and as reimbursement for the expenses, ad described herein, which may be incurred and associated therewith by Firm, City agrees to pay Firm and Firm agrees to accept a cash fee in an amount equal to fifty percent (50%) of the applicable fee set forth in the schedules below, plus reimbursement for expenses incurred by Firm on behalf of City, at City’s instructions, and not provided for herein. Such fee shall become due and payable simultaneously with delivery of the securities to the purchaser.”

II. INCORPORATION OF TERMS AND CONDITIONS OF CONTRACT BY REFERENCE

2.1 Except as revised by this Amendment 2, all terms and conditions of the Contract are incorporated into this Amendment, are made a part hereof for all purposes, and shall remain in full force and effect.

III. CONFLICT PROVISIONS

3.1 Any conflict between the provisions of this Amendment and the provisions of the Contract shall be resolved in favor of this Amendment.

IV. ENTIRE AGREEMENT

4.1 The Contract, as amended, embodies the complete agreement of the Parties with regard to the subject matter contained herein, superseding all oral or written previous and contemporary agreements between the Parties relating to matters herein.

EXECUTED and **AGREED** to as of the dates set forth below, to be effective from and after January 1, 2020.

CITY

CITY OF SAN ANTONIO, TEXAS

FIRM

FHN FINANCIAL MUNICIPAL ADVISORS

By: _____

Name: Ben Gorzell, Jr.

Title: Chief Financial Officer

Date: February __, 2020

By: _____

Name: Rogelio Rodriguez

Title: Senior Vice President

Date: February __, 2020

APPROVED AS TO FORM:

Robert K. Nordhaus
Assistant City Attorney

RKN
02/20/20
Item No. 20

A T T A C H M E N T I I

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

**AMENDMENT NO. 2 TO CITY OF SAN ANTONIO
FINANCIAL ADVISOR SERVICES CONTRACT**

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WHEREAS, the Parties have heretofore entered into that certain *City Of San Antonio Financial Advisor Services Contract* (“Contract”) under which Firm is serving as Financial Advisor or Co-Financial Advisor to City in connection with financing capital improvements and other projects through the potential issuance of certain financial obligations; and

WHEREAS, the initial term of the Contract, as provided in **ARTICLE III. TERM**, Section 3.1 of the Contract, commenced on April 25, 2016, and terminated on March 31, 2019; and

WHEREAS, pursuant to that certain *Amendment No. 1 To City Of San Antonio Financial Advisor Services Contract* (“Amendment 1”) under which **ARTICLE III. TERM**, Section 3.1 of the Contract was amended to extend the term of the Contract for a term commencing April 1, 2019 and ending December 31, 2019; and

WHEREAS, the Parties now desire to amend **ARTICLE III. TERM**, Section 3.1 of the Contract to provide that the term of the Contract will be extended for a term commencing January 1, 2020 and ending March 31, 2021; and

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EXECUTED and **AGREED** to as of the dates set forth below, to be effective from and after January 1, 2020.

CITY

CITY OF SAN ANTONIO, TEXAS

FIRM

HILLTOP SECURITIES, INC.

By: _____

Name: Ben Gorzell, Jr.

Title: Chief Financial Officer

Date: February ____, 2020

By: _____

Name: Anne Burger Entrekin

Title: Regional Managing Director

Date: February ____, 2020

APPROVED AS TO FORM:

Robert K. Nordhaus
Assistant City Attorney