

**CITY OF SAN ANTONIO
OFFICE OF THE CITY MANAGER**

TO: Mayor and City Council

FROM: Erik Walsh, City Manager

COPY: Executive Leadership Team

SUBJECT: Update on the Issuance of Public Property Finance Contractual Obligations, Series 2020

DATE: January 15, 2020

The memo is being provided as an update to Agenda Item 19 that is scheduled for consideration on Thursday, January 16, 2020.

The City is issuing \$11,300,000 “City of San Antonio, Texas Public Property Finance Contractual Obligations, Series 2020” (the “Obligations”) to prepay all outstanding General Fund lease purchased equipment including helicopters, breathing apparatus, thermal imaging cameras, bunker gear, ambulances, direct capture filtration, and fire trucks.

On January 8, 2020, the City’s Placement Agent received the following bids on behalf of the City:

| Firm | True Interest Cost | Call Feature |
|------------------------------------|--------------------|--------------------|
| JP Morgan – Option 1 | 1.70% | Make whole call |
| First National Bank Texas | 1.72% | No call |
| Frost Bank | 1.74% | No call |
| JP Morgan – Option 2 | 1.79% | After 12 months |
| BB&T | 1.99% | Anytime |
| Amegy Bank | 2.07% | Anytime |
| BOK Financial Public Finance, Inc. | 2.11% | Make whole call |
| Capital One Public Funding, LLC | 2.18% | Beginning 8/1/2023 |

The City selected JP Morgan – Option 1 for private placement of the Obligations due to the lowest overall interest cost. Closing and delivery of the Obligations is planned for Wednesday January 29, 2020.

FHN Financial Municipal Advisors and Hilltop Securities served as Co-Financial Advisors. Norton Rose Fulbright US LLP served as Bond Counsel.