City of San Antonio

Legislation Details (With Text)

File #:	21-4190
Type:	Misc - Financial Services
	In control: City Council A Session
On agenda:	6/17/2021
Title:	Ordinance approving a Financial Underwriter Syndicate selected from the Financial Underwriting Pool for financing of General Improvement Bonds; Combination Tax and Revenue Certificates of Obligation Tax Exempt and Taxable; and Tax Notes to be issued in August 2021. [Ben Gorzell, Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]
Sponsors:	
Indexes:	
Code sections:	
Attachments:	1. Exhibit I, 2. Draft Ordinance, 3. Ordinance 2021-06-17-0486

Date	Ver.	Action By	Action	Result

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Approving a Financial Underwriter Syndicate

SUMMARY:

This ordinance approves the Financial Underwriter Syndicate selected from the Financial Underwriting Pool for financing of General Improvement Bonds; Combination Tax and Revenue Certificates of Obligation Tax Exempt and Taxable; and Tax Notes to be issued in August 2021.

BACKGROUND INFORMATION:

The City established a Financial Underwriting Pool ("Pool") comprised of firms to be utilized for the selection of underwriting syndicates for financial transactions effectuated by the City over the term of the Pool. Once a potential bond financing transaction is identified, an underwriting syndicate is selected from firms within the Pool. The roles of each firm in the syndicate are determined based on performance and innovative ideas

presented to the City and to the City's Co-Financial Advisors in addition to other considerations including capital position and sales and distribution capabilities. Firms included in the Pool can potentially serve in the capacity of Senior, Co-Senior, or Co-Managing Underwriter.

The Finance Department and the City's Co-Financial Advisors met to review and finalize recommendations for a Financial Underwriter Syndicate for the financings planned for August 2021 to include: General Improvement Bonds; Combination Tax and Revenue Certificates of Obligation Tax Exempt and Taxable; and Tax Notes.

The proposed Financial Underwriter Syndicate is included in Exhibit I. In the development of the proposed syndicate for these transactions, consideration was given to the following:

1. Background and expertise of firm, lead banker, and lead underwriter.
2. Performance on past City financing transactions.
3. Capitalization and the firm's willingness to commit capital in recent transactions.
4. Expertise and experience in specific types of transactions.
5. Sales and distribution capabilities.

ISSUE:

The selection of the proposed Financial Underwriter Syndicate is consistent with the City's previous actions to employ underwriting syndicates to market and underwrite the City's debt obligations as well as to assist in the design and structuring of such obligations.

ALTERNATIVES:

The City could choose to delay the selection of the Financial Underwriter Syndicate; however, that decision would delay the financing transactions which are anticipated to occur in August 2021.

FISCAL IMPACT:

Fees for financial underwriting services pertaining to the issuance of debt obligations are paid from the proceeds derived from the issuance and sale of such obligations. Therefore, there is no impact on the City's Operating Budget.

RECOMMENDATION:

Staff recommends approval of this ordinance approving the Financial Underwriter Syndicate selected for financings planned for August 2021.

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