



# City of San Antonio

## Agenda Memorandum

**File Number:**16-2563

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**Agenda Item Number:** 24.

**Agenda Date:** 4/14/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City-Wide

### **SUBJECT:**

Financial Advisor Services Contract(s) for the City of San Antonio

### **SUMMARY:**

- A. This Ordinance authorizes the execution of a contract with Coastal Securities, Inc. to provide Co-Financial Advisor Services in connection with various of the City's financings for a period to commence April 1, 2016 and terminate March 31, 2019, with an option to extend the contract for one additional two-year period under the same terms and conditions.
- B. This Ordinance authorizes the execution of a contract with FirstSouthwest, a Division of Hilltop Securities Inc. to provide Co-Financial Advisor Services in connection with various of the City's financings for a period to commence April 1, 2016 and terminate March 31, 2019, with an option to extend the contract for one additional two-year period under the same terms and conditions.

### **BACKGROUND INFORMATION:**

The City utilizes Financial Advisor Services to assist in the management of its debt program and the design and issuance of bonds, certificates, tax notes, and other financial instruments. Financial Advisor Services include, but are not limited to, quantitative analysis, evaluation and presentation of financing options, provision of timely credit market information, preparation of offering documents, advice and assistance with the issuance, sale and delivery of debt instruments, attending meetings, and the provision of ongoing services after the successful delivery of a debt issuance.

A Request for Proposal (RFP) for Financial Advisor Services was developed inclusive of the various types of financings the City may undertake during the term of the Financial Advisor Contract. The RFP was advertised

in the San Antonio Express News, posted on the City's website, and mailed to sixty-five (65) firms. On November 17, 2015, eight (8) proposals were received.

A selection committee comprised of representatives from the City Manager's Office, the Departments of Finance, Convention, Sports, and Entertainment Facilities, and Economic Development evaluated and scored the firms based on the following criteria: Experience, Background, and Qualifications; Proposed Plan; Compensation; and the Small Business Economic Development Advocacy Program (SBEDA), which includes Mentorship Incentive, the Local Preference Program, and the Veteran Preference Program.

The firms and their scores are listed in Attachment I.

The selection committee selected and recommends the firms listed below to provide Co-Financial Advisor Services for the City as follows:

	<u>Lead Banker(s)</u>	<u>Contract Participation</u>
Coastal Securities, Inc. - (Lead) Co-Financial Advisor	Jorge Rodriguez	60%
FirstSouthwest, a Division of Hilltop Securities Inc. - Anne Burger Entrekina Co-Financial Advisor	Tina Arias Peterman Richard Ramirez	40%

#### **ISSUE:**

The selection of Co-Financial Advisors for utilization on all debt financings and debt planning is consistent with the City's prior actions to secure Financial Advisory Services.

#### **ALTERNATIVES:**

The City could choose not to hire Co-Financial Advisors through this RFP process; however, the City would be limited in its future debt planning and its ability to issue debt for capital needs.

#### **FISCAL IMPACT:**

Fees for Financial Advisor Services pertaining to the issuance of debt obligations are paid from the proceeds derived from the issuance of such obligations. Therefore, there is no impact on the City's Operating Budget.

The fee schedule for all various types of financings is included as Attachment II.

In the event the City requests additional services not specifically provided for in the Contract, the City shall negotiate the fee prior to the engagement or performance of any such additional work.

#### **RECOMMENDATION:**

Staff recommends approval of this Ordinance that authorizes the contract to provide Co-Financial Advisor Services in connection with various of the City's financings for a period to commence April 1, 2016 and terminate March 31, 2019, with an option to extend the contract for one additional two-year period under the same terms and conditions.

