



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 42

**Agenda Date:** June 6, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Approving the Extension and Ratification of the City of San Antonio Financial Advisor Services Contracts.

**SUMMARY:**

This ordinance authorizes and approves the extension and ratification of the City of San Antonio Financial Advisor Services contracts with Hilltop Securities, Inc. and Estrada Hinojosa & Company, Inc. for a two year extension term to commence on May 1, 2024 and terminate on April 30, 2026.

**BACKGROUND INFORMATION:**

The City contracts with qualified firms to provide Financial Advisor Services to assist the City in the management of its various debt programs and the design and issuance of bonds, certificates of obligation, tax notes, and other financial instruments, as may be required. 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, as well as, attending meetings and on-going services after the successful delivery of a debt issuance.

On April 29, 2021, City Council approved Ordinance 2021-04-29-0291 and Ordinance 2021-04-29-0292 authorizing Financial Advisor Services Contracts with Hilltop Securities, Inc. and Estrada Hinojosa & Company Inc., respectively, to provide financial advisor services in connection with the City's financings for a term beginning May 1, 2021, and ending April 30, 2024, with the option to extend for one (1) additional two (2) year term.

The Finance Department recommends the City exercise the contract extension options with Hilltop Securities, Inc. and Estrada Hinojosa & Company, Inc. commencing May 1, 2024, and terminating on April 30, 2026, under the same terms and conditions.

**ISSUE:**

The extensions of the Financial Advisor Services Contracts are consistent with the City's policy and previous actions to employ Financial Advisors to assist the City in the management of its debt program and the design and issuance of bonds, certificates of obligation, tax notes, and other financial instruments, as may be required.

**ALTERNATIVES:**

The City could have no financial advisor services firms under contract; however, this would impact the City's ability to effectuate debt financings for purposes to include funding capital projects.

**FISCAL IMPACT:**

This ordinance authorizes and approves the extension and ratification of the City of San Antonio Financial Advisor Services contracts with Hilltop Securities, Inc. and Estrada Hinojosa & Company, Inc. for a two year extension term to commence on May 1, 2024 and terminate on April 30, 2026. 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.

**RECOMMENDATION:**

Staff recommends approval of this ordinance approving the ratification of the extension of the Financial Advisor Services Contracts with Hilltop Securities, Inc and Estrada Hinojosa & Company, Inc.