



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 17

**Agenda Date:** August 3, 2023

**In Control:** City Council A Session

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**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Approving a Financial Underwriter Syndicate

**SUMMARY:**

This ordinance approves a Financial Underwriter Syndicate selected from the Financial Underwriting Pool for financing of Tax Exempt and Taxable General Improvement Bonds; Combination Tax and Revenue Certificates of Obligation; and Tax Exempt and Taxable Tax Notes to be issued the week of August 21, 2023.

**BACKGROUND INFORMATION:**

On June 15, 2023, City Council approved the City's Financial Underwriting Pool ("Pool") comprised of firms to be utilized for the selection of financial underwriting syndicates and approved by City Council 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 general obligation financing planned for Summer 2023 to include: Tax Exempt and Taxable General Improvement Bonds; Combination Tax and Revenue Certificates of Obligation; and Tax Exempt and Taxable 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 the week of August 21, 2023.

#### **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 the week of August 21, 2023.