

**CITY OF EL PASO, TEXAS  
REQUEST FOR COUNCIL ACTION (RCA)**

**DEPARTMENT:** Financial and Administrative Services

**AGENDA DATE:** December 16, 2008

**CONTACT PERSON/PHONE:** William F. Studer, Deputy City Manager, Financial and Administrative Services, 541-4011 and Carmen Arrieta-Candelaria, Chief Financial Officer, 541-4293

**DISTRICT(S) AFFECTED:** All

**SUBJECT:**

Discussion and action on a resolution that the City Council approve an amended underwriter's list from which the City Manager, or designee, may select to perform underwriter services for the City's Financial and Administrative Services Portfolio related to the authorization and issuance of future debt instruments or other securities.

**BACKGROUND / DISCUSSION:**

A Request for Qualifications (RFQ) was issued in February 2007 in order to solicit responses from firms that provide underwriting services. Based on this process, City Council approved three (3) firms as Tier I firms and seven (7) firms as Tier II firms. In April 2008, this list was amended to reflect changes in the market as well as a lack of responsiveness from two of the firms originally selected. Recently, City staff has determined that market activity since April 2008 has resulted in the restructuring of various underwriting firms and constraints within the financial market that has impacted the ability of various firms to provide underwriting services. As a result of this activity, the Administrative and Financial Services Portfolio is recommending the elimination of the tiered structure so that all firms could be utilized as lead underwriters as needed. The utilization of the firms and the rotation will depend on the number of firms necessary for a particular issuance that will vary depending on size of issuance and complexity of such. **Although the City anticipates using this list as the basis for selecting Underwriters for future debt issuances for general obligation, contractual obligations, revenue bonds and other such type debt, the City reserves the right to solicit underwriters for certain future debt instruments that, in the sole opinion of the City, require additional consideration or specialty such as pension obligation debt issuances.**

**PRIOR COUNCIL ACTION:**

April 17, 2007 approved the original underwriters list; April 2008 amended the original underwriters list

**AMOUNT AND SOURCE OF FUNDING:**

Funded through future bond issuances or other debt instruments issued.

**BOARD / COMMISSION ACTION:**

N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_ **FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:** Carmen Arrieta-Candelaria  
(Example: if RCA is initiated by Purchasing, client department should sign also)  
*Information copy to appropriate Deputy City Manager*

**APPROVED FOR AGENDA:** \_\_\_\_\_

**CITY MANAGER:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

## RESOLUTION

**WHEREAS**, in February 2007, the City of El Paso (the “**City**”) solicited proposals for professional underwriting services through the City’s request for qualifications (“**RFQ**”) No. 2007-120R; and

**WHEREAS**, on April 17, 2007, the City Council approved a list of ten firms to perform underwriting services, which were categorized as either Tier I or Tier II; and

**WHEREAS**, on April 1, 2008, the City Council amended the list of approved firms to perform underwriting services, which were categorized as either Tier I or Tier II as listed in **Exhibit 1**, attached hereto (the “**April 2008 Amended Underwriting List**”); and

**WHEREAS**, the City desires to amend the April 2008 Amended Underwriting List for purposes of eliminating the tier structure in order to continue to provide underwriting services for future City debt issuances or other financings.

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

**THAT**, the April 2008 Amended Underwriting List is modified as set forth in Exhibit 2 (the “**December 2008 Amended Underwriting List**”) which is attached hereto and incorporated herein by reference, and the City Manager, or her designee is authorized to select the appropriate underwriting syndicate to provide underwriting services for future City debt issuances or other financings from the December 2008 Amended Underwriting List. Said list shall remain in effect from the date this resolution is adopted through April 19, 2012.

**THAT**, the firms selected from the December 2008 Amended Underwriting List shall rotate within each category, after each issuance of debt instruments or other financings as recommended by the City Manager, or designee. This selection and rotation will depend on the number of firms necessary for a particular issuance that will vary depending on size and complexity of each issuance.

**THAT**, although the City anticipates using this December 2008 Amended Underwriting List as the basis for selecting underwriters for future debt issuances for general obligation, contractual obligations, revenue bonds and other such type debt, the

City reserves the right to solicit underwriters for certain future debt instruments that, in the sole opinion of the City, require additional consideration or specialty such as pension obligation debt issuances.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2008.


CITY OF EL PASO

\_\_\_\_\_  
John Cook  
Mayor


ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen  
Municipal Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Bertha A. Ontiveros  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
Carmen Arrieta-Candelaria  
Financial Services

**EXHIBIT 1**  
**APRIL 2008 AMENDED UNDERWRITING LIST**

**Tier I Firms**

(These firms will serve as lead underwriters.)

Citigroup Global Markets, Inc.  
Banc of America Securities LLC  
Merrill Lynch, Pierce, Fenner & Smith, Inc.

**Tier II Firms**

(These firms will serve as co-underwriters.)

Morgan Stanley & Co., Inc.  
Wachovia Securities, N.A. (formerly A.G. Edwards)  
JP Morgan Securities, Inc.  
Southwest Securities, Inc.  
Wells Fargo Brokerage Services, LLC

**EXHIBIT 2**  
**DECEMBER 2008 AMENDED UNDERWRITING LIST**

**Approved Firms**

Banc of America Securities LLC  
Citigroup Global Markets, Inc.  
Merrill Lynch, Pierce, Fenner & Smith, Inc.  
Morgan Stanley & Co., Inc.  
JP Morgan Securities, Inc.  
Southwest Securities, Inc.  
Wachovia Securities, N.A. (formerly A.G. Edwards)  
Wells Fargo Brokerage Services, LLC