



Legislation Text

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TO: Mayor and City Commission

FROM: Cale Curtis, City Manager

DATE: February 21, 2024

A RESOLUTION OF THE CITY OF MARGATE, FLORIDA, APPROVING AN AGREEMENT WITH ESTRADA HINOJOSA & COMPANY, INC. FOR MUNICIPAL ADVISOR PROFESSIONAL SERVICES RELATED TO THE ISSUANCE OF MUNICIPAL BONDS AND RELATED SERVICES; AUTHORIZING THE CITY MANAGER AND MAYOR TO EXECUTE AGREEMENTS AND OTHER DOCUMENTS NECESSARY FOR ANY ASSOCIATED PROFESSIONAL SERVICES WITHOUT FURTHER COMMISSION ACTION; PROVIDING FOR AN EFFECTIVE DATE

BACKGROUND: Staff has evaluated the need to finance capital projects related to water and wastewater infrastructure and determined that the issuance of municipal bonds is the most efficient and proactive method to accomplish the financing for this critical endeavor.

Estrada Hinojosa & Company has a proven track record of performing exceptional services as municipal advisors to multiple municipalities and a long list of successful bond issuance engagements. Staff is recommending approval of an agreement for the firm to develop the financing plan, prepare offering documents, assist with credit and investor presentations, market the bond offering price and see the bonds, close the transaction, and perform other related professional services as needed based on the Fee Schedule, including hourly rates, as outlined in "Exhibit B" on page 14 of the Agreement.

The first bond issuance is anticipated to be \$60 million, the second series \$26 million, and the third series \$24 million. The bond issue fee for professional services performed by Estrada Hinojosa & Company for the first issue is estimated to be approximately \$95,000 plus a \$7,500 technical quantitative services fee. The financial advisor service fees for future series bond issuance shall be based on the Fee Schedule as outlined in "Exhibit B" on page 14 of the Agreement. Non-transactional financial advisory services shall be based on the hourly rates found in the Fee Schedule of the Agreement as well.

RECOMMENDATION: Approve

FISCAL IMPACT: Approximately \$102,500 for first issuance with future series issuance fees and any other pre-approved non-transactional financial advisory services based on the Fee Schedule, including hourly rates, enumerated in "Exhibit B" of the Agreement. To be funded from bond proceeds.

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