



HISTORIC
FRANKLIN
TENNESSEE

ITEM #6
FINANCE
09-16-10

MEMORANDUM

September 13, 2010

TO: Board of Mayor and Aldermen

FROM: Eric S. Stuckey, City Administrator
Russ Truell, Assistant City Administrator/CFO

SUBJECT: Selection of Underwriter for Bond Refunding Issue

Purpose

The purpose of this memorandum is to present to the Board of Mayor and Aldermen (BOMA) for consideration the selection of an underwriter (or underwriters) for the upcoming bond refunding issue that the Board will consider at their September 14 meeting.

Background

Our formal debt policy, as well as the proposed September 14, 2010 bond resolution, calls for a Request for Proposal (RFP) process to be conducted for the senior underwriter of refunding issues. City staff, in conjunction with our financial advisor, issued a request for proposal to all of the known underwriting organizations within the State. We received ten proposals by close of business last Friday, September 10. The firms from whom we received proposals were: RW Baird, Stephens, Duncan Williams, Wiley Brothers, Morgan Keegan, Mesirow, Fifth Third, SunTrust, Wells Fargo, and Raymond James. The proposals are currently being reviewed.

Financial Impact

Selection is based on experience, depth of expertise, financial strength, and prior participation with the City. Thus the price of the underwriting fee is not the main consideration. The cost of underwriting will be part of the calculations made in issuing the bonds and will be paid, along with the other costs of issuance, from the bond proceeds.

Recommendation

Because the proposals were received late Friday, there has not been sufficient time to review them. Staff will have a recommendation in time for the Budget and Finance Committee meeting on Thursday, September 16th.