



**CITY OF FAIR OAKS RANCH**  
**AGENDA – CITY COUNCIL SPECIAL MEETING**  
February 9, 2015; 2:00 p.m.  
Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn

- I. **ROLL CALL**
  
- II. **CONVENE INTO CLOSED SESSION**
  - A. Pursuant to Section 551.101 of the Open Meetings Act, Texas Gov't Code, a quorum of the governing body will convene into closed session to consult with the City Attorney on legal issues regarding The Reserve at Fair Oaks Ranch development.
  
- III. **RE-CONVENE INTO OPEN SESSION**
  
- IV. **CONSIDERATION ITEMS**
  - A. Consideration of authorizing the City Administrator to sign a Municipal Advisory Agreement with Samco Capital Markets, Inc.
  - B. Consideration and action on authorizing Mark McLiney and Andrew Friedman, Samco Capital Markets, to serve as Municipal Advisor on the upcoming general obligation bond sale for Fair Oaks Ranch, determining the final terms of the sale, including sale date, final maturity, call features, sale method, bond rating agency and other matters related to the sale of the bonds and authorizing city staff to work with Samco Capital Markets in facilitating the bond sale
  
- V. **DISCUSSION ITEMS**
  - A. Review of the 2015 Citizen Engagement Values/Functions Survey by Mayor Landman
  
- VI. **ADJOURNMENT**

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Signature of Agenda Approval: \_\_\_\_\_

A handwritten signature in cursive script, appearing to read "Cheryl Landman", written over a horizontal line.

I, Priscilla Abrego, Deputy City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the city's website [www.fairoaksranctx.org](http://www.fairoaksranctx.org), both places being convenient and readily accessible to the general public at all times. Said Notice was posted by 11:00 a.m., February 3, 2015 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Fair Oaks Ranch City Hall is wheelchair accessible at the side entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary's office at (210) 698-0900. Braille is not available. The City Council reserves the right to convene into Executive Session at any time regarding an issue on the agenda for which it is legally permissible; pursuant to *Tex Gov't Code Chapter 551*, Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

# SAMCO CAPITAL MARKETS, INC.

## MUNICIPAL ADVISORY AGREEMENT

In accordance with Rule G-23 of the Municipal Securities Rulemaking Board ("MSRB"), a Municipal Advisor must have an Agreement with Respect to the Municipal Advisory Relationship (the "Agreement") with the issuer of municipal bonds (the "Issuer"). We submit the following Agreement for your review and acceptance.

1. **Duties:** We agree to provide all services related to the development and implementation of a debt management plan. These services include, but are not limited to, the structuring of a bond model, the formulation of a bond program, the analysis and completion of refunding programs, consultation regarding bond elections, consultation regarding bond ratings, consultation regarding the available types of financings, etc. The services include communicating and coordinating with other professionals involved in bond transactions and related services (e.g. bond counsel, rating agent, verification agent, arbitrage rebate provider, etc.). The advice and assistance includes serving as a fiduciary to the Issuer and representing the Issuer's interest in the sale and distribution of any debt obligations.
2. **Compensation:** Any fees due to us will be evidenced with a written addendum to this Agreement to be approved by the governing body as part of the financing process (e.g. adoption of the order calling an election, adoption of an order authorizing the issuance of bonds, etc.). All fees due to us will be associated with the closing of a debt instrument and paid from the proceeds of the financing, unless both parties agree to some other form of arrangement. Any compensation for services rendered will be based upon the amount and type of services performed and the size and complexity of the transaction and will be accompanied by a market analysis demonstrating the competitive nature of the amount.
3. **Assignment:** Due to the personal nature of financial advisory consulting services, this Agreement is being entered into with the Mark McLiney Municipal Advisory Group of SAMCO Capital Markets. The Issuer expects that all files will be held in duplicate by the group and the company. At the full discretion of the Issuer, this Agreement can be automatically assigned to and transferred to the Mark McLiney Municipal Advisory Group.
4. **Term:** This Agreement will commence on the date of acceptance and shall remain in effect until terminated or replaced with a subsequent agreement. This Agreement can be terminated at any time, with or without cause, with simple written notice.

Respectfully submitted,



Mark M. McLiney  
Senior Managing Director

Acceptance,

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Issuer & Title

\_\_\_\_\_  
Date 1/26, 2015

# SAMCO CAPITAL MARKETS, INC.

8700 Crownhill Boulevard • Suite 601  
San Antonio Texas, 78209

PUBLIC FINANCE  
TELEPHONE 210-832-9760  
877-349-1371  
FACSIMILE 210-832-9794

SALES  
TELEPHONE 210-832-9750  
877-340-1370  
FACSIMILE 210-832-9733

## MEMORANDUM

Date: January 29, 2015

To: Mayor and City Council  
City of Fair Oaks Ranch

From: Mark McLiney  
Andrew Friedman  
SAMCO Capital Markets, Inc.

CC: Marcus Jahns  
City Administrator, City of Fair Oaks Ranch

RE: February 9<sup>th</sup> Council Workshop – Bond Financing Discussion

The Bond Market has rallied and we are again approaching record low interest rates. Due to these rates and the belief that rates cannot drift any lower, we want to finalize the terms of the City's General Obligation Bond Sale and set a sale date, determine the term of the borrowing and method of sale.

Items that the Council will need to consider are:

1. **Final Maturity:** We have been discussing either a 10 or 15 year term. Our recommendation is to lock in the term for 15 years with a standard 10- Year call option.
2. **Sale Date:** We would recommend the sale of the bonds to be at the regularly scheduled meeting on April 16, 2015. A sale on April 16<sup>th</sup> will allow for funds to be deposited into the City's depository on or about May 12, 2015. By waiting until May to receive funds, we will lessen the interest due in February, 2016 and allow for more principal to be paid quicker.
3. **Call Feature:** We recommend a standard 10 year call. If we would push for an earlier call date, purchasers will use that as an excuse to charge the City an interest rate penalty. If the City accumulates additional money those funds can be used to pay off the bonds early.
4. **Bond Rating Agency:** The City will need one bond rating. The choices are Standard and Poor's, Moody's and Fitch Rating Service. Our recommendation is to use Standard and Poor's due to their penetration in the market and their fee schedule. We do not believe that the City will need two ratings and do not believe the extra expense will offer any value.
5. **Method of Sale:** The City can sell the Bonds through a competitive sale offering, a negotiated sale or a private placement. Due to the City's excellent credit quality and the Bonds being sold as Bank Qualified, we recommend a Competitive sale. This will assure the City they will have nationwide coverage and typically will lead to 5 or more bidders with interest rates through what we are seeing in negotiated sales or private placements.