



## CITY COMMISSION STAFF REPORT

DEPARTMENT: Finance

DATE: August 26, 2025

SUBJECT: Recommendation to approve the agreement of TRB Capital Markets, LLC as our financial advisors related to potential authorization and issuance of indebtedness by the City.

### **CITY MANAGER RECOMMENDATION:**

It is recommended that the City Commission approve the engagement of TRB Capital Markets LLC as our financial advisers related to the potential authorization and issuance of indebtedness as required by the City.

### **BACKGROUND OF ITEM:**

Based on the City's current CIP plan, it is projected that the City will need to spend more than \$221 million to fund its essential infrastructure projects, such as upgrading utilities, roads, public facilities, and parks, through 2030. The City is aggressively pursuing federal, and State grants and earmarks for these projects and it will utilize a large portion of the fund balance in the General Fund and Utilities funds to get these projects under way.

However, while some projects can be deferred until we get sufficient funding, it is unrealistic to assume that the Water and Wastewater can be completed without bond financing. We expect to issue the first bonds in FY 26-27. Bonds will allow the city to spread the cost of its projects over time. By issuing bonds, Cooper City can invest in long-term infrastructure improvements while repaying the debt gradually through future tax revenues. Municipal bonds typically come with lower interest rates compared to other forms of financing. This makes borrowing more affordable and manageable for the city, enabling it to undertake necessary projects while minimizing debt service costs.

### **UTILITY FUND INFRASTRUCTURE:**

Cooper City's current utilities infrastructure is over 50 years old. The Water/Wastewater Master Plan highlighted the need to invest in upgrading the City's water/wastewater infrastructure. There are several important reasons why the utilities infrastructure needs to be updated:

- 1. Aging Infrastructure:** Many utility systems in the city are outdated and require repairs or replacements to ensure reliability and efficiency. Aging pipelines and equipment will lead to frequent outages and service disruptions.

2. **Population Growth:** As Cooper City continues to grow, the demand for water, electricity, and waste management services increases. Upgrading the infrastructure will help accommodate this growth and ensure that all residents have access to essential services.
3. **Environmental Concerns:** Modernizing the city's utility systems will lead to more sustainable practices and can reduce water waste and improve energy efficiency, aligning with environmental sustainability goals.
4. **Water Quality and Safety:** Updating the city's water treatment facilities pipeline system will enhance the quality of drinking water, ensuring it meets health and safety standards. This is crucial for public health and quality of life.

## **GENERAL FUND INFRASTRUCTURE**

While the extent to which we want to accelerate the completion of this improvement can be determined later, it is prudent to get a credit rating established concurrently to establish the credit rating for the Utility Fund.

### **1. PUBLIC SAFETY COMPLEX**

Cooper City needs a new public safety complex to enhance its emergency response capabilities and ensure the safety of its residents. This facility could provide improved resources for police, fire, and emergency medical services, addressing the growing needs of the community. Investing in a modern public safety complex would not only help streamline operations but also foster a stronger connection between public safety officials and the community they serve. The public safety facility may include much needed administrative office space.

### **2. PARKS AND RECREATION**

The parks and recreation master plan outlined several capital projects necessary to enhance the community's recreational facilities and services. These projects would play a crucial role in promoting community engagement, physical activity, and overall quality of life for residents.

## **PROCUREMENT:**

The city intends to hire a consultant to streamline the process of financing revenue bonds. By doing so, it will enhance the chance of a successful bond issuance. They can manage the entire financing process from initial credit assessment to final issuance, ensuring timelines and objectives are met.

TRB Capital Markets, formerly Estrada Hinojosa & Company, Inc., is a key player in the municipal bond market, offering a range of services including municipal advisory services, bond underwriting, and bond trading.

The firm has a strong track record, having completed over 2,600 municipal advisory transactions with a total par value exceeding \$207 billion, as well as over 4,900 underwriting transactions with a total par value exceeding \$486 billion, since its inception in 1992. The key services they provide include:

- **Bond Underwriting:** The firm underwrites bonds through both negotiated and competitive bids.
- **Credit Rating support** – the better the rating, the lower the interest rates on your bonds.
- **Trading:** TRB Capital manages a distribution platform and maintains a diverse investor base for bond offerings.

TRB Capital Markets has a strong presence in the area, some of their clients include:

#### **FINANCIAL IMPACT:**

The fee for the professional services that TRB Capital has proposed to assist the city in obtaining its credit rating is as follows:

- \$10,000.00 for obtaining the first credit rating and,
- \$7,500.00 for each additional credit rating (if needed).

#### **SCOPE OF SERVICES:**

The scope of services that TRB Capital has detailed in their agreement for professional services is as follows:

**Evaluation and Planning Services:** Assist the City in navigating the Rating Agency process. This includes:

- Utilizing credit rating analytical sensitivity tools to assess various financial scenarios.
- Conducting a comprehensive review of the City's financial conditions to ensure a complete understanding of its fiscal position.
- Performing scenario analyses to identify and evaluate potential outcomes.
- Preparing the rating agency presentations that effectively communicate the City's strengths and financial strategies.
- Comparing historical financial results against baseline trends to highlight improvements and areas of stability.

**Transaction Execution Services:** Hands-on support during the transaction execution phase by:

- Attending any and all meetings where rating agency questions and answers are discussed, as requested by the city.
- Offering guidance to address rating agency inquiries effectively and ensure clarity in all communications.
- Assisting in securing approval and support for the proposed financial strategies as they relate to the rating process.
- Coordinating with key stakeholders to facilitate a smooth and timely execution of tasks necessary to obtain the desired credit rating.

The Municipal Advisor will remain actively engaged throughout the process to help the City achieve its goals efficiently and successfully.