STAFF REPORT

City of Dripping Springs

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Dripping Springs, TX 78620

Submitted By: Ginger Faught, Deputy City Administrator

Council Meeting Date: August 18, 2026

Agenda Item Wording: Discussion and possible action to approve a Financial Advisory Contract between the City of Dripping Springs and SAMCO Capital Markets Inc. to provide financial advisory services.

Agenda Item Sponsor: Mayor Bill Foulds, Jr.

Summary/Background: On November 21, 2025, the City issued Request for Proposals and Statements of Qualifications No. 2025-19 for financial-advisor services. The solicitation was intended to cover financial assistance received from the TWDB after the award date, including assistance through the Drinking Water State Revolving Fund, Clean Water State Revolving Fund, Development Fund, and other TWDB-administered financial-assistance programs.

A four-person evaluation committee reviewed the two responses received using the following selection criteria: municipal advisory experience (30 points); capacity to perform (30 points); familiarity with the City (10 points); and experience with TWDB programs (30 points).

At its February 3, 2026 meeting, City Council awarded RFQ No. 2025-19 to SAMCO Capital Markets Inc. and authorized the City Administrator to negotiate an agreement with the selected respondent, subject to City Council approval.

Proposed Contract

The proposed Financial Advisory Contract engages SAMCO Capital Markets Inc. to provide professional financial-advisory services for City securities, including bonds and refunding bonds, in amounts and for purposes approved by City Council. The contract contemplates open-market bond sales, funding through the TWDB, and other funding sources necessary for City projects.

SAMCO's services include analyzing the City's borrowing capacity and debt structure; preparing written financing recommendations; advising on market conditions and financing timing; assisting with election-related financing information under bond counsel's direction when applicable; coordinating offering documents and bond-sale materials; making bond-rating recommendations; assisting with public sales and closing; and providing definitive post-closing debt records.

The contract also provides for coordination with bond counsel and assistance with financial information for state or governmental-agency approvals and, for qualified projects, financial-assistance applications for state involvement.

Fiscal Impact

For services related to the issuance and sale of securities, the proposed fee schedule is:

Principal Amount	Financial Advisory Fee
First $1,000,000	$20,000
Next $4,000,000	$5.00 per bond
Next $5,000,000	$3.00 per bond
Amount thereafter	$2.00 per bond

If a project is approved by the TWDB or another funding source but does not close or fund, the contract provides for payment for time spent at $200 per hour, with the number of hours to be negotiated between City Council and SAMCO. Additional financial-advisory services outside the issuance, sale, or grant-funding scope require advance Council approval and are billed at $250 per hour. The proposed contract also identifies certain issuance expenses for which the City is responsible, including applicable ratings, legal, printing, advertising, and other transaction costs.

The total fiscal impact will depend on the amount, type, and timing of any securities issuance or funding transaction and on any separately approved additional services.

Commission Recommendations: N/A

Recommendation: Approval

Attachments:

Proposed Financial Advisory Contract

SAMCO Capital Markets Inc. Statement of Qualifications/Proposal.