



Meeting Date: May 25, 2021

Agenda Type: Action Item

From: John Warren
Finance Manager

Reviewed by: Dawn Schriewer
Chief Financial Officer

Submitted by: Dawn Schriewer
Chief Financial Officer

Approved by: Ian Taylor
Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Approval and Authorization to Select the Underwriting Team for the City of New Braunfels, Texas, Utility System Revenue Refunding Bonds, Series 2021

BACKGROUND

NBU's staff recommends that the NBU Board approve J.P. Morgan, Piper Sandler & Co., and Frost Bank as underwriters for the approximately \$74.75 million City of New Braunfels, Texas, Utility System Revenue Refunding Bonds, Series 2021. NBU's staff further recommends that J.P. Morgan serve as the lead underwriter and the remaining two firms serve as co-managers.

J.P. Morgan remains a major national and global financial institution that is well capitalized. Its underwriting desk is located in New York, and by par value, has been a top underwriter in Texas for several years. J.P. Morgan has participated in underwritings for several surrounding Texas entities, including CPS Energy, Austin Energy, the Texas Water Development Board, and the City of San Antonio. J.P. Morgan has relationships with most of the major and mid-tier investor accounts and works to maintain an investor outreach program.

Piper Sandler & Co. was founded in 1895 and is a client-focused, full-service investment banking firm. It is a super-regional firm, headquartered in Minneapolis, Minnesota, with over 60 offices across the United States including 40 public finance offices, 24 sales offices, and 11 trading desks. Piper Sandler is focused on providing bond underwriting services to communities across the state of Texas and has ten bankers in Texas, including a local office in San Antonio. Its public finance banking team is supported by one of the largest municipal institutional sales forces in the country. Piper Sandler consistently ranks as one of the top municipal bond underwriters in the State of Texas.

Frost Bank is a major regional firm and has continued to grow its municipal underwriting portfolio. Over the past 5 years, Frost Bank has been one of the top ten underwriters for negotiated Texas issues. It also maintains one of the largest municipal bond portfolios in the country. Frost Bank has been active in the New Braunfels and Comal County area, participating in underwritings for the City of New Braunfels, New Braunfels ISD and Comal County.

FINANCIAL IMPACT

\$74.75 million plus interest of no more than 6%

LINK TO STRATEGIC PLAN

Maintain a Competitive Bond Rating

EXHIBITS

None